THE CHINA WEEKLY REVIEW

# Christmas Number

## Are the Filipinos Fearful of What Japan Is Doing in North China?

### OTHER ARTICLES IN THIS ISSUE

Students Throughout China Stage Demonstration Against Autonomy Move

Japan Decides to Increase North China Garrison; New Government Under Gen. Chiang Kai-shek Inaugurated

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The British Bid for Status Quo . . By S. Y. Livingston Hu

America and China . . . . . By H. H. Kung

SATURDAY, DECEMBER 21, 1935

FORTY CENTS A COPY

VOL. 75, NUMBER 3

# The China United Assurance Society, Ltd.

## SHANGHAI

## BALANCE SHEET

December 31st, 1934.

### LIABILITIES

| | | |
|---|---|---|
| Capital | | $ 500,000.00 |
| Legal Reserve | | 221,957.98 |
| Building Reserve | | 91,114.52 |
| Assurance Reserve | | 5,687,644.34 |
| Educational Endowment Maturity Reserve | | 3,419.60 |
| Claims Awaiting Proof | | 52,453.94 |
| Maturity Endowment in Course of Settlement | | 83,798.62 |
| Reserve for Wah An Liquidation | | 30,249.18 |
| Suspense Premiums | | 616.34 |
| Surrender Value Suspense | | 42,533.56 |
| Mortgages and Loans | | 721,441.04 |
| Deposits Received | | 516,614.95 |
| Interest Received in Advance | | 30,776.08 |
| Auditors Fees Unpaid | | 2,118.88 |
| Unclaimed Interest on Capital | | 96.88 |
| Agents Balances | | 168.32 |
| Sundry Creditors | | 64,417.47 |
| Exchange Account | | 6,491.83 |
| | | $8,055,913.53 |
| Balance (from Profit & Loss Account) | | 40,622.66 |
| | | $8,096,536.19 |

### ASSETS

| | | | |
|---|---|---|---|
| Cash:— | | | |
| Cash in Hand | $ 2,462.10 | | |
| Cash in Banks | 119,496.26 | | |
| Native Orders in Course of Collections | 30,177.70 | $ 152,136.06 | |
| Investments and Real Estates | | | 4,407,676.24 |
| Loans and Mortgages | $1,921,879.61 | | |
| less Reserve | 25,000.00 | 1,896,879.61 | |
| Loans on Society's Policies | | | 1,069,666.54 |
| Agents Balances | $ 65,945.06 | | |
| less Reserve | 20,000.00 | 45,945.06 | |
| Outstanding & Deferred premiums, Cost & Reserve deducted | | | 214,162.30 |
| Interest Accrued | | | 87,994.45 |
| Deposits for Leased premises | | | 2,703.25 |
| Furnitures and Motor Cars | | | 52,705.94 |
| Sundry Assets | | | 7,811.92 |
| Sundry Debtors | $ 178,854.82 | | |
| less Reserve | 20,000.00 | 158,854.82 | |
| | | $8,096,536.19 | |

We have examined the above Balance Sheet with the Books and Vouchers of the Company and in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs on December 31st., 1934, according to the best of our informations and explanations given to us and as shown by the Books of the Company. We have verified the existence of the Securities.

Shanghai 24th May 1935

Chartered Accountants
Auditors

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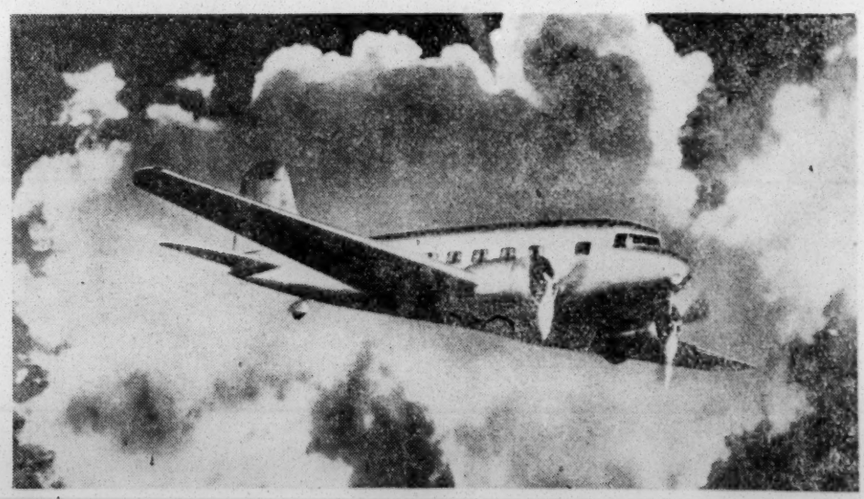

*For schedules refer to Page 111 of this magazine. For further information please apply to*

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密勒氏評論報

# The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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THE CHINA WEEKLY REVIEW

*Formerly Millard's Review*

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CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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## CHRISTMAS—1935

WHETHER one sticks to the King James version which reads, "On earth peace goodwill toward men," or adopts the American Revised Version which says, "On earth peace among men in whom He is well pleased"—which, it is to be noted, changes very materially the sense of the message which the angels are supposed to have brought almost two thousand years ago—most everybody will probably agree that the amount of good-will that is abroad in the world at the moment is not by any means conspicuous; and, although at the moment, actual warfare is confined to a very small part of the world's area, the various conflicting forces which are at work tend to create a state of affairs where War of immense proportions and exceeding intensity will probably be the natural consequence in the not distant future.

Intolerance, and a disposition to lord it over other people both as to their bodies and their minds, has been a characteristic of mankind throughout all the ages, and it is a sad commentary on the intelligence of the common people—of whom Abraham Lincoln remarked, "The Lord must have loved them as he made so many of them"—that a very excellent cinema picture entitled "Intolerance," which was true as to history and cost millions to produce, proved to be what is known in cinema parlance as a "flop." Intolerance rears its heads in many directions to-day, and one of the unfortunate results of standardization in the physical realm has been that mankind generally has become so benumbed that independent and clear thinking has become very rare—hence dictatorships in many countries. Luckily there are still some people left in the world whose brains are not befuddled and who have the courage to speak out. One of them is the Rev. S. Parkes Cadman, a Brooklyn pastor, who, at the annual luncheon of the Protestant Teachers Association in New York recently in the course of an address in which he pointed to the denial of liberty in European countries and attempts to restrict freedom of speech in the United States, remarked, "This planet is becoming the lunatic asylum of the solar system."

Another clergyman who desrves a nice Christmas present is the Rev. Charles T. Holman, who in an article in the current number of the *Christian Century* entitled: "I Don't Want to Christianize the World," says, "It is very flattering to ourselves to take it for granted that these virtues are the exclusive property of Christianity. Most people utterly fail to see the spiritual arrogance involved in making such a claim." The writer gives the amusing incident of how at one of the state universities recently a popular vote was taken to select the most "Christian" sudent on the campus and a young Jewish student was chosen for that shining honor! That could be matched by the incident in a local Roman Catholic school some years back when the prize for Christian knowledge was won by an Afghan student, who was a Mohammedan!

Mr. Holman also says:

> "I have no more desire to 'Christianize' the world than I have to 'Americanize' it. Both seem to me to contain elements of imperialistic desire to dominate and egoistic desire to cast all lives into our mold which are contrary to the truly Christian spirit. The kind of missionary enterprise which I should like to see promoted is one which seeks the cooperation of all men of good will, regardless of religion, color or race, for the enrichment and liberation of human life and the building of a better world."

The Chinese proverb, "Within the Four Seas All Are Brothers" makes as good a Christmas message as any. In the meantime, we wish all our readers, A Merry Christmas and a Happy New Year.

## "RENGO'S" SWAN SONG— SWALLOWED UP IN "NEWSPAPER ALLIANCE"

MUCH has been heard during the past several months of an amalgamation of the news gathering agencies in Japan. The best evidence of the fact that it is now an accomplished fact is that *Shimbun Rengo* has sent out a circular letter to its subscribers stating that it is about to be liquidated prior to being incorporated in the *Domei Tsushin-sha* (the Japan Newspaper Alliance), and that it therefore requests prompt settlement of all outstanding subscriptions to its service.

The outstanding feature of the newly created Japanese Newspaper Alliance is that it will be government-supported and therefore, to a large extent, government-controlled. The two principal news gathering agencies in Japan at the present time are *Rengo* and *Nippon Dempo*, which latter has a working agreement with the *United Press*. The provincial newspapers of Japan have been bitter opponents of the national news agency plan as they not only are opposed in principle to the idea of having their news sources government-controlled, but they feel that they will be placed at a disadvantage in competition with the moetropolitan journals who are able to a large extent to check the work of the news agencies by the employment of special correspondents—which is something that the provincial newspapers are not financially in a position to do.

Whaetever faults the *Rengo* service may have had—it wouldn't have been true to Japanese form if it had not been highly chauvinistic—it nevertheless promptly and in many cases quite breezily reported the news of the day that lay within its sphere. We doubt very much whether the new government-inspired larger organization into which *Rengo* is being incorporated will be as efficient or as reliable an organization as *Rengo*, judged from the purely news-gathering point of view.

## A PROPOSED SHANGHAI DOCK AMALGAMATION

AN extraordinary situation has arisen in Shanghai in connection with two large British shipbuilding firms, the New Engineering & Shipbuilding Works and the Shanghai Dock and Engineering Co. Both of these establishments rode to the heights of prosperity during and after the war, when the German submarine sinkings caused the prices of ships to reach fabulous figures. The new Engineering Works, for example, paid a total of dividends and bonuses of one hundred per cent in 1921, and with a surplus of more than two million taels created 300,000 preference shares of Tls. 5 each, which were given as a "gratuity" to the then existing ordinary shareholders. The Dock also paid high dividends. But to-day neither of the concerns is in a position to make sufficient profits to pay any dividends whatever, so efforts have been made to effect an amalgamation, so far with indifferent success.

Many of the Dock company shareholders feel that it would not be in the interest of the Dock to amalgamate with the Works, seeing that (in their opinion) the earning capacity of same is much below that of the Dock. The preference shares which were originally given to the ordinary shareholders of the Works have largely been sold to the public. They have now arisen to plague their creators. A scheme of the directors to have the preference shareholders give up their rights for a bagatelle was turned down by the preference shareholders several weeks ago. During this week the preference shareholders of the Works have requested the directors to appoint a trustee for their interests and to try to effect the amalgamation with the Dock on this basis. The preference shareholders agree to reduce their interest from 8 to 7½ percent. There is the implied "threat" that if the directors (who are the principal ordinary shareholders, but have no preference shares—having sold them to the public) do not go ahead on this basis efforts will be made to complete the amalgamation without their help. A feature of the proposed amalgamation is that the general managers, Arnhold & Co., ask to be allotted $100,000 of shares in the amalgamated company as the price of giving up their management contract, which is of the "in perpetuity" brand.

The general moral to be drawn from the whole affair is that when the public invests in preference shares they should very carefully study the ground before they invest. In the case of

the Works each class of shareholders has a stranglehold on the other and in the resulting deadlock the concern might be pulled down to ruin entirely. But one thing stands out definitely. The principal ordinary shareholders in the concern are doing their best to bring pressure to bear so that the preference shareholders may be impelled to give up the preference to which they are entitled.

The New Engineering Works is one of several concerns managed by Arnhold & Co., the guiding spirit of which is H. E. Arnhold, who is also chairman of the Shanghai Municipal Council. There has recently grown up among the shareholders of the various concerns which Arnhold & Co. manage considerable discontent. Among the Arnhold-managed companies is the Shanghai omnibus service.

# Are the Filipinos Fearful of What Japan Is Doing in North China?

WHEN on that eventful morning of May 1, 1898, Commodore (later Admiral) Dewey, aboard the U. S. *Olympia* quietly said, "You may fire when you are ready, Ridley," he set in motion a train of events which profoundly changed the state of affairs in the whole Far East, and particularly America's relations to same. America's influence and prestige in the Far East at that time had fallen to a low estate. The proud position which the Yankee clippers had gained for America a century previous had been considerably dimmed by the incidence of the American Civil War. Up until that time American ships were in the forefront of shipping in the Far East as in other parts of the world. Those were the days of wooden ships with lumber from the coasts of New England. When the age of steel and iron ships arrived America lagged behind. In the years 1860 to 1897 American trade with China dropped from three to less than two percent of the total. That may be compared with the situation today when America's share in the total trade of China is more than 20 per cent. In the early years American policy in the Far East was not without its imperialistic characteristics. A fact now hardly ever referred to is that one of the principal objects of the negotiations incidental to the treaty of Wanghia of 1844 was for America to obtain a territorial equivalent for Hongkong, which had fallen to the British. But the matter was not followed up, and in the intervening years, America's voice in the Far East had become very feeble indeed. An idea of the low esteem in which Continental Europe (but not England) held America prior to the battle of Manila Bay may be gained from the two following examples: *El Heraldo* of Madrid of which the Captain of the Spanish warship *Cristobal Colon* was one of the prinicpal proprietors, on March 6, 1898 (that is less than two months before the outbreak of the Spanish-American War) explained as one of the reasons why the Spanish fleet would win was that "as soon as firing begins the crews of the American ships will begin to desert because we know that among them are people of many nationalities." Another example: When the German Admiral Prince Heinrich of Prussia went on board the *Olympia* at Hongkong when he learned that in in accordance with the laws of neutrality the American fleet had been ordered to leave the British port of Hongkong, he parted with Dewey in the following words: "Good-bye, Commodore, I fear I shall never see you again; you are going on a desperate undertaking." The net results of the battle of Manila Bay were that 167 Spanish naval men were killed and 214 wounded; on the American ships there was not even a seriously wounded sailor. The firing done by the American gunners, as investigations afterwards showed, was far from perfection; but as against that the firing by the Spanish was almost beneath contempt. An interesting little sidelight on international conditions at that time was that Imperial Germany was very unfriendly to America's "intrusion" in the Far Eastern area. England on the whole was not unfriendly. A fact not generally known is that Dewey was able to secure supplies of coal in a somewhat ingenious manner. The British conveniently arranged for ships loaded with coal to be consigned to some *Spanish* controlled destination. Dewey's vessels thereupon promptly "captured" the cargoes, and of course paid the British owners for them.

Thus was begun America's experiment in "colonization." America in the course of her history raised the Stars and Stripes over five major non-contiguous areas. Alaska was purchased; Hawaii was annexed under somewhat extraordinary circumstances; and the three areas taken from Spain during the Spanish-American war were all treated on a separate basis. Porto Rico was annexed outright; Cuba was freed shortly afterwards; and the Philippines were held on to for three decades with an unfulfilled pledge to give them their independence always in the background to furnish material for mutual irritation. But several years ago a state of affairs arose when the long-heard cry of the Filipinos received symphathetic attention from three sources usually antagonistic, and it may also be stated with selfish motives: The laboring classes wanted the Philippines to be "got rid of" because the hordes of Filipinos who invaded the United States were competing very materially with the American workingmen; the farmers wanted the Philippines to have their independence because American farming products were brought into competition with the duty free agricultural products of the Philippines; and the powerful sugar beet interests in the United States and the powerful American cane sugar interests with enormous

investments in Cuba wanted the Philippines got rid of because both of them suffered from the duty-free sugar which they sent to the United States.

⁂

The above short historical summary is *apropos* at this time because we are now told by no less an authority than Roy Howard, chairman of the board of the Scripps-Howard newspapers and the *United Press* Association (who proceeded to Manila to report the recent inauguration of the new Commonwealth) in a signed article appearing in all the Scripps-Howard newspapers Dec. 10, that

> "the Filipino dream of independence is fading fast. For 35 years the major issue of Islands politicians, it is gasping its last breath within one month of the launching of the Commonwealth Government."

After spending several weeks in Manila before, during and after the inauguration of the Commonwealth, Mr. Howard declared, "There is plenty of evidence that the Philippine Republic contemplated by the independence law and demanded by political leaders from Gen. Emilio Aguinaldo to Senor Manuel L. Quezon will never materialize." Telegrams from Manila stated that Senor Quezon did not take issue with Mr. Howard's remarks, merely saying that he had taken an oath to uphold the Constitution of the Philippines Commonwealth, which provides for independence in 1946 and "in any event our task as a nation is clear—to make ourselves reasonably self-sufficient in every respect as soon as possible."

The following is a summary of the main points in Mr. Howard's article: Referring in unmistakeable terms to the influence of Japan, he said "Japan's army, stretching out ever more menacingly and apparently intent on embracing the entire Orient, is to-day casting a dark shadow across the Philippines." As a result, he declared, "A political metamorphosis is resulting. Security of the liberties already achieved, rather than national independence, has become the major political objective. This security, to which a new value has suddenly been added, will first be sought vigorously under the American flag. The Filipinos want none of Japan's 'Asia for the Asiatics' which, like the Chinese, they interpret as 'Asia for the Japanese.'

"Unless all signs fail," declared Mr. Howard, "Congress will be requested some time early in the ten-year interim, to make the Commonwealth of the Philippines permanent and definitely fix its political and economic future on a territorial basis. Meanwhile, a campaign is being designed to reveal to American businessmen, financiers and politicians the tremendous commercial potentialities of the islands and what they will certainly yield once their political future is assured, with the extension of free trade and reciprocal economic advantages guaranteed. Removal of American labor's present anti-Philippine attitude will be attempted by the imposition of rigid restriction of immigration. Political objections to the possible confusion concerning Filipino representation in Congress would probably be forestalled by a definite commitment against a later request for statehood." And more in a similar vein.

We will let Mr. Howard's opinions rest for the moment. He may be right or he may be wrong about what the Philippine attitude is, but there is no doubt that he is correct about the Japanese angle. In previous years it was predicted that if the Philippines ever became free the Japanese would dominate the Islands politically and the Chinese would, as they had already to a large extent, dominate the Islands commercially. But the present indications point to the probability that the Japanese will dominate commercially also.

⁂

Now another short historical note: While the American army in the Philippines was still engaged in the job of subduing the Igorotes, the Visayans and the many other tribes that make up he Filipino population—the present generation knows little of Jake Smith and his "water cure"—another pot was boiling in the Far East. The Boxer Rebellion of 1900 and the campaign against the Moros in Mindanao—the district in which Japanese farmers have now thoroughly entrenched themselves—were contemporaneous. The defeat of the Boxers, the flight of the Imperial family, the swingeing indemnities which China was forced to pay, the demands for the execution and the banishment of certain high placed Manchus, all were part of a drama which profoundly changed conditions in this part of the world, and in which America played a prominent part. In those days American prestige suffered very materially from the lack of probity and ability in the American Consular service. Things have in the intervening years been wonderfully improved and America's consular and judicial service in China to-day is of the highest integrity and ability.

⁂

One relic of Boxer campaign days is the provision in the Boxer Protocol that the lines of communication between Peking and the sea should be kept open by foreign troops and that the various Powers concerned should be privileged to station sufficient troops there for that purpose. The occasion for such a provision has long since disappeared, as have all the other disabilities that were laid upon China as a result of that unfortunate episode in China's history. This provision has remained to plague some of the very nations that were most insistent on having it enacted. The only nation that finds the Boxer Protocol useful to-day is Japan. The Japanese have used this Protocol so skilfully that from both England and America have come expressions of opinion that it is doubtful whether Japan has broken its provisions. Incidentally may be mentioned also that at least part of the area included in the present autonomy movement is the same that was affected several years ago when Yen Hsi-shan started his ill-fated opposition government movement. Yen also seized the Customs. He put a British subject in charge of them. Said British

subject was afterwards murdered. So the Japanese in their present incursions are not acting without precedents. They would have the world believe that the present autonomy movement in North China, like the one in Manchuria, is quite spontaneous. They insist that Chinese students who so much as hint that it is inspired, initiated or supported by Japan shall be punished by the Chinese officials. This is "rubbing it in" with a vengeance, as the whole world is under no misapprehension as to what the Japanese nation, led by the ruling spirits of the Japanese Army, is doing now in North China. Japan comouflages her political moves quite cleverly. She reverses Shakespeare's famous phrase, "To do a great right, do a little wrong." She does a little right in order to accomplish a great wrong.

G.W.M.

## Japan Buys Heavily in China and Manchukuo

A PHENOMENAL gain of 35.7 per cent in imports as compared with November, 1934, featured Japan's trade with China, Manchukuo, Hongkong and the Kwantung Leased Territory during last month, a Ministry of Finance statement issued in Tokyo Dec. 16 showed. The total trade with these countries showed a gain of ten per cent, as compared with the corresponding month of last year with exports totalling Yen 52,333,000 and imports Yen 38,294,000. The exports showed a decrease of 3.3 per cent as compared with November, 1934, while the imports gained 35.7 per cent.

The favorable balance of trade with these countries during the month reached Yen 14,039,000, while the excess of exports over imports since the beginning of the year totalled Yen 270,772,000, a gain of Yen 44,570,000 in comparison with the corresponding period of 1934.

The exports to China for the month totalled Yen 11,582,000, with Central China accounting for Yen 7,581.000; North China, Yen 3,697,000 and South China, Yen 304,000.

### Japan's Big Share of World's Trade

Japan's exports for the first ten months of 1935 increased 17.1 per cent. over the same period last year, the Ministry of Commerce announced in Tokyo, Dec. 16. In the same period, it was reported, exports of the United States increased 1.2 per cent. and those of Great Britain 7.3 per cent.

### Japanese Navy to Produce Educational Film

Intimate glimpses from the lives of three members of the Imperial Family, who travelled to the South Seas as members of the crews of naval training ships, will feature "Across the Equator," a film to be released next month by the Japanese Navy.

### Japanese Politicians Plan Tour of China

Fifteen bolters from the Kokumin Domei party, led by Seigo Nakano, will leave Tokyo on Christmas eve for an extensive tour of Manchukuo and China. On deserting the Kokumin Domei last week Mr. Nakano and his followers announced that they would form a political club named Tohokai. Since however, they indicated that before launching the new organization they will tour Manchukuo and China to get a first-hand acquaintance with current—developments there. The party's itinerary calls for stops at Changchun, Peiping, Tientsin, Nanking and Shanghai, at each of which they will confer with leading officials and businessmen.

### Japanese Merchants Evade Export Control Regulations by Shipping to Korea

There is a growing demand in trade circles in Japan for the enforcement in Korea of the Export Guild Law, the Maior Export Goods Control Regulation and kindred measures so as to ensure the more effective control of exports. Taking advantage of the fact that the Korean market is free, many traders are reported to be exporting from that peninsula goods which have failed to pass official inspection in Japan. It is further stated that as there is no strict official inspection, some traders find it advantageous to ship half-finished articles to Korea to be finished. As a matter of fact electric bulbs, enamelled ware and rubber shoes are exported via Korea, so that strict inspection or quotas can be avoided. Cotton textiles for export are also finished there in large quantities.

### New Japanese-Canadian Trade Treaty Is Signed

A new commercial agreement, bringing to an end the bitter six-months' trade war between Canada and this Japan, was signed in Ottawa this week by Mackenzie King, new Canadian Premier, and Sotomatsu Kato, Japanese Minister to the Dominion. The new treaty provides for the mutual cancellation of retaliatory surtaxes, the preparation of a list of goods on which Canada may charge a "dumping" tax, and a formula for the computation of the "exchange compensation levy."

### Japan's Tax Income Shows Gain

Japan's ordinary revenues in the first nine months of the current year showed a gain of Yen 25,757,000 compared with the corresponding period of 1934, the Ministry of Finance announced in Tokyo Dec. 16.

### Minseito Favors Japan Diet Dissolution

Minseito strategists Dec. 16 joined in favoring the dissolution of the 68th session of the Diet, which opens on December 24 to forestall the introduction of a resolution by the Seiyukai, Japan's largest party.

### Russo-Japanese Fishery Talks to Reopen

Soviet-Japanese negotiations on the revision of the Fisheries Convention between the two countries will reopen soon in Moscow following the return there of Benedict I. Kozlovsky, director of the Far Eastern Bureau of the Soviet Commissariat. Mr. Kozlovsky has been recuperating in a sanitarium in Crimea during the last two months.

The Japanese Government is seeking the introduction of a new system to replace the annual auctions of Soviet fishery lots along the Siberian coast and equality of treatment between Japanese fishermen and Soviet state enterprises. Other Tokyo proposals include the reduction of the present exchange rate of 37 sen per rouble to 10 sen and provisions for fish conservation.

### Waterworks Chief in Kobe Arrested on Corruption Charge

Mr. Seki, Chief of the Waterworks Section of the Kobe Municipality, was arrested Dec. 11 on a charge of corruption. In the purchase of water pipes and other appliances, it is said, he received bribes from merchants and it is further alleged that he accepted Yen 50 to Yen 100 from each of the young men whom he took in the service of his Section. The dismissal of a petty official of the Waterworks Section the other day for the embezzlement of public money amounting to some Yen 2,000 was the beginning of the revelation of the corruption.

### Drug Addict Doctor Held in Tokyo for Killing 87 Patients

Causing the death of 87 patients with morphine at his hospital in Nakano, known to the neighborhood as the "murder doctor's house," is the charge pending against Dr. Hiroo Shoji, 36, himself an alleged morphine addict, and his sole assistant, Kichisaburo Sato, 29, who were arrested in Tokyo last week.

Police medical investigation into the circumstances of 1,400 patients admitted to the hospital since its opening is said to have established that a total of 87 died from unknown causes, and also that morphine was used indiscriminately in the case of virtually every patient. One of the recent victims was a baby suffering from infantile dysentery.

## Japanese Mistress of Chinese Pirate Is Sent Back to the Hokkaido

Once known as the "female terror" of the South China coast, Sue Nakawura, 27-year-old Japanese mistress of an erstwhile Formosan pirate chieftain, was brought to Shanghai from Foochow last week and from here deported to her native heath in the Hokkaido. When 18 years of age she eloped with a Chinese travelling salesman. She made her way to Foochow, where she shifted her affections to one Chen Pai-lin, Formosan-born pirate with headquarters in Fooching-hsien. With him she cruised the south China coast, raiding coastal shipping and seaboard towns. Her expert marksmanship and adroitness won her the respect of the other buccaneers who regarded her not so much as the chief's mistress as one of their leaders, according to the Shanghai *Nippo*. At the height of her career, it was Sue who distributed the spoils and her judgment was never questioned. Last autumn, feeling homesick, she obtained $35,000 and went to the Hokkaido, travelling by way of Hongkong and Formosa. In the spring this year she returned to China and stopped in Shanghai on her way south. According to *Nippo*, she travelled as a deck passenger by the s.s. *Changsha Maru* to Foochow and asked the protection of the ship's captain when she was molested by a group of men. Arriving in the Fukien capital, she found that her band had been broken up by Chinese Government troops and that Chen was reduced to living in slums in constant fear of being arrested. Sue attempted to reassemble the scattered members of the band, but failed. She was finally arrested by the Japanese consular police in November.

# America Notes Flow of Silver from China Via Japan

OFFICIAL cognizance of the extraordinary silver activity prevailing at Shanghai for the past few months appeared in a routine statement by the United States Department of Commerce in Washington Dec. 15. "Considerable activity has been noted among Japanese buyers of silver for shipment abroad," the Department stated. The *United Press* stated that American officials have watched with interest the extraordinary volume of silver shipments arriving in London from Japan, particularly during October and November. For those two months, consignments from Japan to London were valued at Yen 51,000,000, it was learned, as compared with shipments for the entire year of 1934 valued at only Yen 14,000,000. It was noted that the arrivals in London from Japan had accelerated on the eve of the nationalization of silver by the Chinese Government.

### Customs Seize Silver from Japanese on British Ship

Serious trouble aboard the s.s. *Empress of Russia*, Canadian Pacific liner bound for Vancouver by way of Japan, was narrowly averted early in the morning of Dec. 16 when unidentified Chinese customs officers seized silver being carried by Yasuo Takata, 16-year-old Japanese. According to the complaint filed with of the Japanese Consular Police, Takata was approached by Chinese Customs officers who stripped him of his clothing and finally removed the special waistcoat in which he was carrying $1,300 in coins. The incident created a great commotion among the 130-odd Japanese passengers of the ship and a near-riot threatened, when Sergeant Nishio intervened. At the height of the discussion, an official of the local office of the Canadian Pacific Steamship Co. arrived on the scene, and finally settled all further talk by taking the coat into his own possession and, going ashore, depositing it in the company's strong-room. He then communicated with the British and Japanese Consulates-General, informing them of what he had done, and asking for advice as to what he was to do with the coat and the silver contained in it.

The Japanese Consular Police previously had informed their nationals that if they travelled in non-Japanese ships they would not interfere if the Customs seized silver found on them.

Eight more persons were added Dec. 13 to the roster of Japanese who failed in their attempts to smuggle silver out of Shanghai. Three were taken off the *Kasagi Maru*, Japan-bound freighter, at 6 o'clock in the morning. They had $3,000 in their possession. The rest were taken into custody by Japanese Consular police on the *Nagasaki Maru* as she was about to sail for *Nagasaki* at 9 o'clock. Found on them was $37,650 in silver coins. Taken to the Consular Police headquarters, they were instructed to change their silver into notes and to return to Japan at once.

Shanghai's Japanese Consular Police Dec. 14 detained 140 Japanese who attempted to smuggle $248,413 in silver coins out of China by the m.v. *Tatsuta Maru*. Examination of passengers on the s.s. *Kasagi Maru* and the s.s. *Nagasaki Maru* resulted in the detention of eight Japanese who had $40,00 in silver coins in their possession. All were forced to change their silver for banknotes at dollar for dollar. The would-be smugglers raised a strong voice of protest on the grounds that they had paid as much as $1.30 in notes for each silver dollar.

In an order to the civil and military authorities of the varoius provinces and municipalities throughout the country, Gen. Chiang Kai-shek, President of the Military Affairs Commission and concurrently President of the Executive Yuan, Dec. 14 instructed that smuggling of silver dollars and silver bars from their respective localities be strictly watched and suppressed. The order was accompanied by a copy of the regulations for the enforcement of the legal tender notes and regulations governing the punishment of silver smugglers, both of which were recently promulgated by the Ministry of Finance.

The Ministry of Finance has dispatched two chemical engineers to Szechwan to analyze and evaluate the contents of the various kinds of miscellaneous silver dollars and subsidiary coins in that province.

### Japanese Captain Fined at Hongkong in Connection With Silver Seizure

Arising out of the seizure of a cargo of silver bullion and silver Chinese dollars on board the m.v. *Fukuin Maru* in Hongkong on December 2 last, the master of the vessel, Mr. Nakamura was fined $100 or in default three months' hard labor by Comdr. G. F. Hole, R. N. (Retired) at the Marine Court, Hongkong, this week, for failing to state the general description of cargo when applying for a port clearance from the Harbor Office on that date.

### Chinese Cook Sentenced to Seven Years' Imprisonment for Trying to Smuggle Silver

For attempted smuggling of 1400 silver dollars, Tan Shih-chuan, a cook employed on a foreign war vessel, sentenced to seven years' imprisonment in the Nantao District Court, last week. In passing sentence, the judge explained that he had given a minimum punishment for the offense. Death penalty is provided in the code governing offenses endangering the national currency, he said.

### Silver Seized on Japanese Steamer at Tsingtao

Three Customs inspectors at Tsingtao were injured by members of a Japanese steamer at Tsingtao Dec. 11 when they started to search the vessel just before it was about to sail. The inspectors persisted in carrying out the search because of the fact that information had been received that the steamer was carrying a certain amount of silver dollars. Upon receipt of the news of the incident, the Chief Inspector of Customs, accompanied by the Japanese Consul, went on board to investigate the case and discovered some 20,000 silver dollars aboard ship. The Japanese sailors who attacked the inspectors were taken to the Japanese Consulate for questioning.

V. Z. Lankin, a Russian official of the Chinese Maritime Customs, was injured in the fracas which occurred aboard the Japanese cargo steamer *Harata Maru* at Tsingtao, Dec. 11. Lankin, who was accompanied by two other officers, discovered a small amount of smuggled silver in the boiler room of the vessel while she was in Tsingtao harbor. The crew, seeing that the "cache" had been detected, switched off the lights in an attempt to prevent confiscation. The silver found in the boiler room was eventually confiscated, and the *Harata Maru* later sailed for Kobe.

### $2,000,000 of Silver Arrives in Shanghai from Amoy

A shipment of 2,000,000 silver dollars arrived at Shanghai this week from Amoy on board in the steamer *Tai Yuan*. The silver was collected in the southern port following the enforcement of the legal tender notes.

### Hunan Issues Notes Based on Copper

Under instructions from the Hunan Provincial Government, the Hunan Provincial Bank has issued paper notes of copper valuation to the amount of $300,000. According to a decision of the Provincial authorities, each legal tender note can be exchanged for 600 copper coins. General Ho Chien, Chairman of the Hunan Provincial Government, is negotiating with the Central Bank of China, and the Bank of Communications for a loan of $4,000,000. The Hunan Cotton Mill and the business tax in the Province have been placed as securities for the loan.

### Sir Frederick Leith-Ross Sees General Chiang at Nanking

Sir Frederick Leith-Ross, Chief Economic Advisor to the British Government, who came to Shanghai, from Peiping end of last week, proceeded to Nanking this week. He called on General Chiang Kai-shek, President of the Military Affairs Commission and concurrently President of the Executive Yuan, and exchanged views with him on the economic situation in North China. Sir Frederick then proceeded on an investigation tour to the various provinces in the Yangtsze River valley.

### America Negotiating for Purchase of Silver from China?

Henry Morgenthau, U. S. Secretary of the Treasury, announced in Washington Dec. 12 that the purchases of silver were being continued as per mandate, but a change had been made in that the silver was being bought at a number of world points and not exclusively in London. He announced that the U. S. Treasury since December, 1933, had acquired 761,774,000 oz. of silver. The figures represented purchases up to and including December 6, 1935. Since June 19, 1934, he revealed the Treasury had purchased 591,800,000 oz. Newly-mined silver bought by the Treasury totalled 56,943,000 oz., and the nationalization decree had yielded 113,031,000 oz.

Denying any large-scale sales of silver by China in the London market, Chinese sources in Nanking Dec. 12 pointed out that the silver withdrawn from circulation since the enforcement of the new currency measures is in the custody of the Currency Reserve Board and its branches in various parts of China. None of these silver stocks, they added, had left China, nor has any silver been concentrated in any single port preparatory to leaving for abroad.

The New York *Journal of Commerce* Dec. 13 stated that the United States is negotiating with China for a set amount of silver. "Despite denials of the fact at Washington," the newspaper said, "well-informed Wall Street sources stated that the government is negotiating with the Chinese government for the acquisition of 200,000 ounces or silver from that country's reserves which China had threatened to turn loose on the market."

### Finance Ministry Spokesman Says There Is No Silver Centralization in Shanghai

Current rumors that the Government is contemplating a concentration of the nation's silver stocks in Shanghai were denied by a spokesman of the Ministry of Finance this week. No such plans are being considered by the Government, the spokesman declared, and as a matter of fact the Ministry of Finance instead has instructed the three Government banks to deposit a part of their currency reserve holdings with the various branch Reserve Boards elsewhere in proportion to the legal tender notes circulated.

# Japan Decides to Increase North China Garrison; New Government Under Gen. Chiang Kai-shek Inaugurated

**HIGH LIGHTS IN THE EVENTS OF THE WEEK:**

1. **Japan Decides to Send More Troops to North China.**
2. **Hopei-Chahar Political Council Inaugurated at Peiping.**
3. **Reshuffling of Northern Administration Announced by Nanking.**
4. **Japanese Demand Cession of Six Chahar Districts to "Manchukuo."**
5. **Rebel Units of Yin Ju-ken Occupy Tangku Port.**
6. **New Yuan Heads and Cabinet Ministers Sworn into Office.**
7. **Gen. Chiang Says China Ready to Defend Existence at All Costs.**
8. **New Foreign Minister Chang Chun States Foreign Policy.**

"In view of Japan's special status in North China, unlike that of any other foreign power, an increase in Japanese forces stationed here should not bring any objections." This statement was made Dec. 13 by Lieut.-Col. Akira Muto, of the Military Affairs Bureau of the War Office, on his arrival at Tientsin from Tokyo with Col. Seiichi Kita, Chief of the China Section of the Japanese Army General Staff, according to a *Rengo* report. Lieut.-Col. Muto urged an immediate "reorganization and strengthening of the Japanese forces in Tientsin."

Such an increase, he told the interviewers, would not in any way conflict with the provisions of the Boxer Protocol.

"Inasmuch as we already have a force stationed here, it is unimportant how it will be strengthened," he said. "The local Garrison will be increased as soon as this point is understood in Japan."

Commenting on the question of Japanese flights over North China, the officer declared that they did not constitute a violation of Chinese aerial navigation rights.

Decision to strengthen the Garrison was reached later in the day on Dec. 13 at a three-hour conference in Tientsin attended by representatives of the Japanese forces in North China and the Kwantung Army and the two Tokyo officers.

Other decisions made by the conferees included, according to authoritative Japanese military sources:

1. All northern issues will henceforth be negotiated with the newly formed Hopei-Chahar Political Council and not with the Nanking Government.

2. Strict watch will be kept on the actions of the new administration to see that "it does not ignore the wishes of the population."

The conferees also denounced the Nanking Government's "doubled-faced" Polities towards Japan.

The Tokyo Army Office favors the enlargement of the Japtnese force in North Chint and is ready to seek the necessary appropriation in the supplementary estimates to be presented to the 68th session of the Diet, *Rengo* reported from Tokyo Dec. 14.

Japan expects "sincere co-operation from China in establishing Far Eastern peace," Gen. Yoshiyuki Kawashima, Minister of War, declared Dec. 13 in commenting on the establishment of the Hopei and Chahar Political Council and the reorganization of the Executive Yuan.

Col. Seiichi Kita, chief of the China Section of the Army General Staff, arrived at Peiping by air from Tientsin Dec. 16 and was the guest at dinner of Gen. Sung Cheh-yuan in the evening.

"The Hopei-Chahar Political Council is a step in the right direction," Col. Seiichi Kita told the press, commenting on the current criticism that the council was not adequate to cope with the problems confronting it. Col. Kita also assailed those Japanese who think that Sino-Japanese economic co-operation in North China is for the benefit of Japanese alone.

The question of strengthening the Japanese garrison in North China, Col. Kita said, is now being studied by the Army, and will be settled satisfactorily "some time soon."

## HOPEI-CHAHAR POLITICAL COUNCIL INAUGURATED IN PEIPING

The personnel of the Hopei and Chahar Political Council, the new administrative body recently established to govern the two provinces, which was quietly inaugurated Dec. 18 at Peiping, consists of the following 17 officials:

General Sung Cheh-yuan—Peiping and Tientsin garrison commander (Chairman).

Wang I-tang—former Minister of Interior in the Peking Government.

Wang Keh-min—former Acting Chairman of the Peiping Political Readjustment Council.

General Hsiao Cheng-yin—Governor of Chahar.

General Chen Teh-chun—Mayor of Peiping.

General Chang Chih-chung—Acting Governor of Chahar.

General Chen Keh—Mayor of Tientsin.

Wan Fu-lin—former Governor of Heilungkiang.

Liu Chieh-former Minister of Education in the Peking Government.

Leng Chia-chi—Chairman of the Peiping Chamber of Commerce.

Chow Tso-min—prominent Chinese banker, and Li Ting-yu, Chiao Teh-yao, Hu Yu-kun, Kao Lin-wei, Meng Chih-chung and Shih Ching-ting. 14 out of the 17 members were present at the inauguration ceremony. Wang Keh-ming and Chow Tso-min have declined acceptance of their appointments.

The inauguration of the Council did not take place Dec. 16, as had been arranged. At 10 a.m. that morning, 14 out of the 17 members comprising the Council gathered for a meeting to discuss the inauguration of the new body.

The Council has decided:

1. To urge the absentee members to come to Peiping as soon as possible.
2. To hold the inaugural ceermony not later than December 24.
3. To appoint Kao Ling-wei, Wang Yi-tang and Li Ting-yu to draft detailed regulations governing the organization of the Council.
4. To appoint Ku Ting-yuan as secretary-general, and, pending his arrival, Liu Chi-shang as acting-secretary-general.

The Hopei-Chahar Political Council will have a Standing Committee of five members, according to regulations governing the organization of the Council which have been received from the National Government. The five members are to be General Hsiao Chen-ying, newly-appointed Mayor of Tientsin, Chen Ke, former Mayor of Tientsin, Wang Yi-tang, former member of the Peiping Political Readjustment Council, Kao Ling-wei, one time Prime Miniser in the Peking Government and General Meng Chih-chung, member of the Hopei provincial government.

## FUNCTIONS OF NEW NORTHERN ORGAN SAID ONLY TEMPORARY

The functions of Hopei and Chahar Political Affairs Council will be temporary and its control will be exercised by the Central Government, according to Li Chai-yi, adviser of the Fukien Provincial Government, in a press interview in Shanghai Dec. 17. The first task of the political organ upon its formal inauguration, Mr. Li declared, will be the dissolution of the so-called East Hopei Political Council for defense against Communism headed by Yin

Ju-ken. Mr. Li also said that the negotiations in which he had participated with the Japanese as apparently the interested party in the "autonomy" development in North China proceeded smoothly with the result that organization of the Hopei-Chahar Political Affairs Council to be headed by General Sung Cheh-yuan was agreed upon.

Commenting on Sino-Japanese issues in North China as a whole, Mr. Li expressed the belief that all these questions together with other impending Sino-Japanese problems will be settled in the course with the strengthening and consolidation of the power of the Central Government effected by the reorganization.

Mr. Li denied the report that General Chen Yi, Chairman of the Fukien Provincial Government, has been chosen for the post of Chinese Ambassador to Japan to succeed General Chiang Tso-pin, now Minister of Interior.

General Huang Fu, resigned Minister of Interior, who arrived in Shanghai from Nanking Dec. 17 also denied that he will be appointed Chinese Ambassador to Japan. General Huang said that he will leave Shanghai shortly for Mokanshan again to recuperate his health.

Violent criticism was levelled by Japanese observers in Peiping Dec. 12 at the composition of the Hopei-Chahar Political Council, stated a *Rengo* report. The lack of persons with a good knowledge of Japan in the list make the new body "more objectionable" than the now abolished Peiping Branch Political Council under Gen. Huang Fu, a canvass of Japanese opinion revealed. Some Japanese observers gave the new council a three-month lease on life. The council's membership of 17, in the opinion of these critics, consists simply of a nucleus of officers from the Twenty-Ninth Army Corps, commanded by Gen. Sung Cheh-yuan, surrounded by members of the Anfu clique, followers of Gen. Feng Yu-hsiang and former leaders in the Northeastern faction. The presence of Gen. Feng's subordinates was held to be particularly objectionable because of the anti-Jpanese views allegedly held by the "Christian General."

"Friendly support" will be given by the Japanese Government to the new administration in North China, according to a *Rengo* report Dec. 15. Japan will, however, demand that steps are taken by the new Hopei-Chahar Political Council for joint defense against communism in the north. Such action on the part of the Council, they added, will give an instance of practical application of the "three-point program" of Koki Hirota, Foreign Minister, Gaimusho officials at the same time expressed a belief that the reorganized Nanking Government will soon approach Tokyo with a definite program for the realization of Sino-Japanese cooperation.

### SHANG CHEN APPOINTED HONAN CHAIRMAN

The appointment of General Sung Cheh-yuan as Chairman of Hopei was announced in a mandate issued by the National Government Dec. 12. General Sung succeeds Gen. Shang Chen, who has been made Chairman of Honan. General Liu Shih, whom General Shang replaces, becomes Pacification Commissioner for Honan and Anhwei, while General Hsiao Cheng-yin, Chairman of Chahar, succeeds Cheng Keh as Mayor of Tientsin.

The 32nd Army, commanded by Gen. Shang Chen was reported by *Rengo* Dec. 13 as moving south of Shunteh, on the Peiping-Hankow Railway, from its stations near Tientsin, Tangku and Paotingfu.

General Ho Ying-chin, the Chinese War Minister, has decided not to accept the post of Resident Representative of the Executive Yuan in Peiping. This statement was made to Chinese newspapermen Dec. 12 by General Ho's secretary, according to a *Reuter* report from Peiping.

General Ho left Peiping for the South via Ping-Han Railway at 8.30 p.m. Dec. 12. En route, he stopped briefly at Paoting, where he conferred with General Shang Chen and General Wan Fu-lin. General Ho arrived at Nanking Dec. 14.

### YIN JU-KENG'S REBEL UNITS OCCUPY TANGKU PORT

The so-called Autonomous State of East Hopei, of which Yin Ju-keng is the self-proclaimed head, was extended Dec. 15, with the occupation of Tangku, east of Tientsin, by men of the Peace Preservation Corps from Lutai. The occupation followed the withdrawal of General Shang Chen's troops. Meanwhile, emergency orders have been issued by the new regime stipulating that all taxes payable to the "Autonomous Council" must not be remitted to Nanking, and that the circulation of notes of the Central Bank of China in East Hopei is forbidden. In addition, it is announced that the exportation of silver from any part of the "Autonomous State" is prohibited.

Units of the Peace Preservation Corps attached to Yin Ju-keng's so-called "East Hopei Autonomous State" in the Demilitarized Zone continue to remain in occupation of Tangku, as negotiations proceeded for a settlement of the trouble arising out of their "brush" with General Shang Chen's troops. Two of the Peace Preservation Corps were wounded in the skirmish, but there were no fatalities. The trouble is said to have arisen out of a misunderstanding concerning the control of Tangku following the resignation of General Shang Chen, as Governor of Hopei, and the order for the withdrawal of his 32nd Army.

While General Shang Chen's men were waiting to be relieved by the troops of General Sung Cheh-yuan, the newly-appointed Governor of the province, a body of the East Hopei Militiamen arrived at Tangku by train from Lutai. When questioned by one of General Shang Chen's officers, they promptly arrested him. They they proceeded to take over the police station, threw out patrols in the town, and posted guards in the vicinity of the villages occupied by troops of General Shang Chen. These guards came in conflict with the troops, who later withdrew to Koku.

The Peace Preservation men sent by the insurgent government of East Hopei are still exercising complete control at Tangku, the port of Tientsin. Colonel Chu Po, nominee of Yin Ju-keng, head of the so-called autonomous state, has been appointed director of police there in succession to Colonel Wu Lung-fu, who was recently imprisoned in the Japanese barracks because of his refusal to transfer land front-age at the mouth of the Hai Ho.

Two train-loads of troops of General Sung Cheh-yuan, newly-appointed Governor of Hopei, left in the afternoon of Dec. 17 for Tangku, the port of Tientsin, which has been occupied by units of the Peace Preservation Corps attached to Yin Ju-keng's so-called East Hopei Autonomous State in the Demilitarized Zone. Three more train-loads are expected to proceed shortly to Chunliangchen, 20 miles south of Tientsin. The troops of General Shang Chen, former Governor of Hopei, have all been withdrawn from Tangku and the vicinity. The East Hopei militiamen are still in Tangku but hitherto no incident has been reported. One battalion of General Sung's troops took over the garrison duties at Tientsin Dec. 17.

Agitation in the Japanese press in Tientsin against the assumption by General Hsiao Chen-ying of the post of Mayor of Tientsin suggests the possibility of further Sino-Japanese complications in Tientsin. Some quarters profess to foresee the possibility of militiamen from the East Hopei regime attempting to extend their control to Tientsin. The Japanese authorities are expected to present a demand for the withdrawal of troops belonging to General Shang Chen.

### JAPANESE DEMAND CESSION OF SIX CHAHAR DISTRICTS

*Reuter* reported Dec. 17 that the 60 Japanese troops who entered Kalgan from Dolonor Dec. 14 are not remaining and will shortly return to Dolonor. It is believed that their presence in Kalgan is connected with the Japanese demands, reliably stated to have been made on the Chahar authorities, that six *hsien* (district) in Eastern Chahar be turned over to Jehol for inclusion in "Manchukuo." These *hsien* are Kuyuan, Paochang, Changpei, Kangpao, Huoteh and Shangtao. Two of these, Kuyuan and Paochang, have already been occupied by "Manchukuo" troops, though Kuyuan city is still in Chinese hands. The Chinese authorities in Kalgan to Jehol for inclusion in "Manchukuo." These *hsien* are taining Changpei and Shangtao and giving up the remainder.

The situation at Kuyuan in East Chahar where Chinese Peace Preservation Corps and "Manchukuo" troops are reported to be still waging fierce fighting against each other remains obscure. One report states, however, that fighting there has now already ceased.

The dispute concerning the attack by "Manchukuo" troops on Kuyuan in East Chahar is still deadlocked. Gen. Hsiao Cheng-ying, Mayor of Tientsin, called on Maj.-Gen. Doihara and Col. Takahashi Dec. 15 and discussed with them measures for a peaceful settlement of the case.

An admission that the town of Paochang, in Chahar, 45 miles north of the Great Wall, had fallen into the hands of "Manchukuo" troops was made Dec. 12 by General Sung Cheh-yuan. General Sung stated, however, that Kuyuan 25 miles north of the Great Wall, which had previously been reported to have been occupied by "Manchukuo" troops, was still in the hands of the Chinese Peace Preservation Corps. Instructions had been sent to the Corps, he added, to defend the town at all costs.

Discussions are now going on between the Chinese and Japanese military authorities for a settlement of the affair, while General Sung Cheh-yuan has taken up the matter with the local repoesentative of the Mongol Autonomy Council. General Sung has requested the Mongol Autonomous Council to assist in concluding a settlement of the affair

That the Japanese are hastening the construction of the airdrome near Tungchutze despite the repeated protests of the Northern authorities was reported in an official telegram to the Central Government Dec. 15.

The report states that in reply to the protest against the erection of the airdrome, a staff officer of the Japanese Army Headquarters in Tientsin declared that the work will never be suspended but will be hastened. Four Japanese airplanes and 60 aviators are now stationed at the airdrome while the telephones at the International Race Course and the police station at Tungchutze have been seized by the Japanese for military purposes.

### ARIYOSHI IN NANKING TO SEE GEN. CHIANG KAI-SHEK

A. Ariyoshi, the Japanese Ambassador to China, arrived at Nanking from Shanghai Dec. 17, to call on Gen. Chang Chun, the new Minister for Foreign Affairs. Mr. Ariyoshi's interview with Gen. Chiang Kai-shek, President of the Executive Yuan, is not expected to take place until December 19. The two officials met on November 20.

Immediately on his arrival, Mr. Arivoshi proceeded to the Consulate-General, where he conferred on the problems of North China with Yakichiro Suma, Consul-General; Lieut.-Col. Sen Amemiya, Japanese resident officer in Nanking and Major Jiro Ichida, Japanese assistant military attache, who has just returned from Tientsin.

According to a *Renzo* report from Tokyo, Mr. Arivoshi, was carrying with him instructions to seek a full settlement of northern problems. Mr. Arivoshi was also instructed to inquire of Gen. Chiang Kai-shek, President of the Executive Yuan, and Gen. Chang Chun, Minister for Foreign Affairs, to what concrete steps the Nanking Government would take to materialize the "three-point program" of Koki Hirota, Foreign Minister.

### NEW YUAN HEADS AND CABINET MINISTERS SWORN INTO OFFICE

The Presidents and vice-Presidents of the five Yuans were inducted into office at an impressive ceremony held at 10 a.m. Dec. 16 at the auditorium of the Central Kuomintang Headquarters.

Lin Sen, Chairman of the National Government, administered the oaths of office, following which he handed the official seals to the five yuan presidents. The only absentee at the ceremony was Hsu Chung-chih, vice-president of the Control Yuan. General Chiang Kai-shek officially assumed his new duties as President of the Executive Yuan at the Yuan building immediately following the oath-taking ceremony at the Party Headquarters.

The Yuan Presidents sworn in were:

*EXECUTIVE YUAN*:
General Chiang Kai-shek, President
Dr. H. H. Kung, Vice-President.

*LEGISLATIVE YUAN*:
Sun Fo, President.
Yeh Chu-tsang, Vice-President.

*JUDICIAL YUAN*:
Chu Cheng, President.
Tan Chen, Vice-President.

*CONTROL YUAN*:
Yu Yu-jen, President.
Hsu Chung-chi (absent).

*EXAMINATION YUAN*:
Tai Chi-tao, President.
Niu Yung-chien, Vice-President.

A new Cabinet, with General Chang Chun, the Governor of Hupeh, as Minister for Foreign Affairs, was appointed by the Central Political Council at its first meeting which opened in Nanking Dec. 12. In addition to General Chang Chung taking over the Foreign Ministry portfolio, four other Ministerial changes were effected, new appointees filling three of the posts. The new Cabinet follows:

Minister of Foreign Affairs—General Chang Chun.
Minister of Interior—General Chiang Tso-pin.
Minister of Finance—Dr. H. H. Kung.
Minister of Railways—Chang Kia-ngau.
Minister of Industry—Wu Ting-chang.
Minister of Communications—Ku Meng-yu.
Minister of Education—Dr. Wang Shih-chieh.
Minister of War—General Ho Ying-chin.
Minister of Navy—Admiral Chen Shao-kwan.

With the exception of Ku Meng-yu, the new Minister of Communications, all the other Ministers of the Cabinet were sworn into office at the National Government House on Dec. 16.

Oong Wen-hao, the noted Chinese scientist, was appointed Secretary-General of the Executive Yuan.

Following the appointment of the nine cabinet ministers, the following commission chairmen were also announced by the Central Political Council:

General Huang Mu-sung, Chairman of the Mongolian and Tibetan Affairs Commission; Chen Shu-jen, Chairman of the Overseas Affairs Commission; Dr. J. Heng Liu, Director of the National Health Administration.

The following committee chairmen under the Central Political Council are also announced:

Chen Kung-po, Chairman of the Internal Affairs Committee; T. V. Soong, Chairman of the Economic Affairs Committee; C. T. Wang, Chairman of the Foreign Affairs Committee; Hsu Kan, Chairman of the Financial Affairs Committee; Chin Heng-yi, Chairman of the Education Committee; Chen Kuo-fu, Chairman of the Land Committee; and Chu Chia-hua, Chairman of the Communications Committee.

Expansion and complete reorganization of the Central Kuomintang Headquarters were effected Dec. 12 with the adoption of regulations governing the organization of the Secretariat, Political Committee, Planning Committee, Organization Department, Publicity Department, and People's Training Department under the Central Executive Committee respectively. The regulations were approved at the first meeting of the newly elected Standing Committee of the C.E.C. held that morning under the chairmanship of General Chiang Kai-shek in the absence of Chairman Hu Han-min. Simultaneous with the approval of the regulations, a large number of members were appointed to the various committees and departments.

### VICE-MINISTERS OF EXECUTIVE YUAN APPOINTED

Various political and administrative vice-ministers of the Executive Yuan were appointed at the first regular meeting of the Yuan under the presidency of General Chiang Kai-shek Dec. 17.

Complete list of the vice-ministers is as follows:

Interior: Tao Lu-chien, political; Chang Tao-fan, administrative.

Waichiaopu: Hsu Mo, political; Chen Chieh, administrative.

Finance: Tsou Lin, political; Hsu Kan, administrative.

Industries: Liu Wei-chih, political; Y. T. Tsur, administrative.

Communications: Yu Fei-peng, political: Tang Yu-jen, administrative.

Railways: Tseng Yang-fu, political: Tseng Yung-pu, administrative.

Education: Tuan Hsi-peng, political; Chien Chang-chao, administrative.

War: Ku Chu-tung, political; Tsao Hao-sen, administrative.

Navy: Chen Chi-liang, political; Tsao Hao-sen, administrative.

Chao Pi-lien retains his position as Vice-Chairman of the Mongolian and Tibetan Affairs Commission, while Chow Chi-kang as Vice-Chairman of the Overseas Affairs Commission.

Of the new vice-ministers, Chen Chieh, Administrative Vice-Minister of Foreign Affairs, was formerly Councillor of the Shanghai Municipal Council and manager of the Yien Yieh Commercial Bank, Shanghai;

Tseng Yang-fu, Political Vice-Minister of Railways, is a trustee and treasurer of the British Boxer Indemnity Fund Administration; and

Dr. Y. T. Tsur, Administrative Vice-Minister of Industries, was formerly president of Tsinghua University and Chancellor of Yenching University, Peiping.

General Cheng Chien, former Commander of the 6th Nationalist Army and Garrison Commander for Kiukiang, was appointed Chief-of-Staff.

The meeting further appointed Yang Yun-tai, Secretary-General of the Generalissimo's Provisional Headquarters, as Chairman of the Hupeh Provincial Government to succeed General Chang Chun.

Charles C. C. Huang, Consul-General to San Francisco, was relieved of his duties and will be transferred to another post.

## GEN. CHIANG SAYS CHINA READY TO DEFEND EXISTENCE AT ALL COSTS

The future administrative policy of the National Government will be two-fold. Internally, it is to push ahead the national economic reconstruction program with a clean and efficient machinery, and, externally, it is to embark on a foreign policy which will strive to preserve China's freedom and equality.

This was outlined by Gen. Chiang Kai-shek, President of the Executive Yuan, when he summoned his Cabinet for an informal conference Dec. 16 at the Executive Yuan immediately after the new members were sworn into office.

Gen. Chiang stressed the importance of the integrity conscientiousness of all public functionaries, which are the prerequisites of political stability.

Referring to the national economic reconstruction program, President Chiang said this involves two essentials. The first is the development of China's natural resources and and the promotion of production and the second is the betterment of the livelihood of the people and the discarding of extravagance, he said.

During the present national crisis, Gen. Chiang said, equal attention should be paid to China's foreign relations. He admonished his Cabinet members to follow the resolutions of the Fifth National Congress in carrying out the nation's foreign policy.

China, said Gen. Chiang, is ready to enter into negotiations with her friendly neighbors on issues which do not infringe upon her equality and freedom, but will not give in to the detriment of her interest.

In conclusion, General Chiang said:

"In respect of problems detrimental to the freedom and equality of the state, the government will make no compromise. For the consolidation of international peace, we shall make a supreme effort. For the maintenance of the life of the nation, we are not afraid to make the final sacrifice.

"I hope that all my colleagues will fully understand this viewpoint, and that we shall perform our duties in co-operation and to the best of our ability."

## NEW FOREIGN MINISTER STATES FOREIGN POLICY

What may be regarded as a statement of his foreign policy was made by General Chang Chun, newly appointed Minister of Foreign Affairs, in an interview at Hankow Dec. 13. Though a military man by training, General Chang said he has, during the past decade, been engaged, however, in civil service. While he has some experience of local administration, he has had none in diplomacy. Happily, General Chang continued, General Chiang Kai-shek has accepted the appointment as President of the Executive Yuan, and as such, will be his guide in foreign affairs. In the course of an address on foreign relations, delivered on November 19 before the 5th National Congress of Kuomintang Delegates, General Chang Chun recalled, General Chiang Kai-shek said *inter alia:*

"So long as the maintenance of peace does not become entirely hopeless, we shall not abandon peace, nor shall we talk lightly of sacrifice unless and until the final crisis comes." This declaration, General Chang Chun said, may be taken as the guiding principle of our future foreign relations.

Continuing, the new Foreign Minister said that the national policy of this country is, in brief, as follows:

"Internally, we shall seek self-preservation: externally, we shall seek co-existence with the rest of the world."

This we may likewise regard as our foreign policy, the Minister added.

With regard to Sino-Japanese relations, Minister Chang said that China and Japan have much in common racially, historically and geographically. Both are great nations of the Far East, and as such, should jointly shoulder the responsibility for maintenance of the peace of the Orient.

Under the direction of the central authorities, the new minister continued, he will endeavor to readjust the general relations between the two countries. He hopes that similar efforts will also be made by the Japanese Government.

## JAPANESE COMMENT ON COMPOSITION OF NEW CABINET

Admission that the composition of the new Chinese Cabinet "leaves no room for fear that Nanking will continue its doublefaced policy towards Japan" was made Dec. 14 by "*Shanghai Mainichi.*"

The Shanghai "Nippo" hailed the "awakening of the Nanking Government to the need of close Sino-Japanese relations and the fact that American and European Powers cannot be relied upon."

The appointment of Chang Kia-ngau, Wu Ting-chang and General Chang Chun to responsible posts in the Cabinet, and the reported selection of General Chen Yi as the Ambassador to Tokyo, have been made with an eye on Japan, the "Nippo" asserted.

"Nanking's attitude towards Japan during 1935," the paper continued, "although not as favourable as could be desired, was still much friendlier than a year earlier.

"Those Government leaders who favoured anti-Japanese notions, have prudently changed their minds. Thus, Chen Li-fu, once regarded as the leader of the anti-Japanese clique, has lately made a remarkable volte face," the "Nippo" continued.

The "Mainichi" withheld final comment on the new government until minor officials are appointed, but predicted that they will all be chosen from among the adherents of General Chiang Kai-shek.

"The new Government is based on General Chiang Kai-shek's dictatorship, as contrasted with the former reliance upon co-operation between General Chiang and Wang Ching-wei.

"General Chiang is now being supported by Chen Li-fu and T. V. Soong. The first, being under 40 years of age, is not likely to be in the limelight. The other will play an important part in the new administration through Dr. H. H. Kung," the "Mainichi" asserted.

The possibility of a revival of the anti-Japanese boycott in Canton looms as a result of the decision of the students, who held a further mass meeting Dec. 13 to protest against the so-called autonomy movement in North China, to organize an "anti-enemy goods society" to conduct a search of all shops for Japanese merchandise.

One of the resolutions passed called for the immediate organization of a volunteer corps and an "anti-Japanese society," as well as an "anti-traitors association."

# America and China*

BY H. H. KUNG

(*Acting President of Executive Yuan and concurrently Minister of Finance*)

THE year 1785 is indeed a significant date in the history of Sino-American relations. History records that previous to 1875 there had been indirect commercial intercourse between the New World and the old Chinese Empire. In that memorable year, however, several American merchants who had arrived in Canton in the preceding year aboard the *Empress of China* returned to New York. Subsequently an American Consul-General arrived at Canton aboard the *Hope* to promote trade between the two countries. It is also interesting to recall that the family of President Franklin D. Roosevelt were actively engaged in the China trade of that time.

Those were the days of the sailing vessels, known as the "Clipper Days, when it took the American sea captain over six months to make a round trip between Canton and New York. Those were the days of the Hoppe, the Houqua, the factory and the Cohong, when intercourse with foreigners in China was confined to the port of Canton, and when the Chinese officials and people alike looked with suspicion and misgiving upon those strange traders whom they called "foreign devils." Under those conditions, direct trade between China and America started.

Curiously enough, tea has from early days played an important part in Sino-American relations, so much so that one native Chinese pupil, giving his original version of American history, once suggested that it was Chinese tea which gave rise to the Boston Tea Party resulting in American Independence. At any rate, the Boston Tea Party helped to persuade American merchants to buy tea direct from China instead of indirectly via England.

During those early days, trade between China and America was, of course, of small magnitude. But a good trade had been begun, and the experiment was followed up. In the year 1844, two years after the signing of the Treaty of Nanking, which made the first breach in the wall of Chinese exclusiveness, the United States signed the first commercial treaty with China at Wanghia. The two countries were to trade with each other "on the basis of cordial friendship and firm peace" and their relations were to be regulated by diplomacy and not by war. Further treaties followed, and in 1928 the United States took the lead in recognizing China's right to tariff autonomy.

By 1870 the United States had attained to second place in China's foreign trade. American trade with China continued to grow rapidly, particularly during the last quarter century, so that by 1932 American trade exceeded that of any other one country. Going back to 1896, when the Customs' records of China's trade first became available, we find that Sino-American trade has increased from less than $10,000,000 Chinese currency in that year to more than $366,000,000 in 1934, while it reached the record figure of over $500,000,000 in 1931. Despite the trade depression in recent years, it appears America is holding to its predominant position in the trade of China.

It would be difficult to find in the maritime records of the world greater romance and more significant development than in the comparatively brief period of 150 years of Sino-American trade relations. Little did those American pioneer merchants, who risked the perils of the high seas to come to trade at Canton, imagine that in less than a century and a half trade between America and China would attain to its present high position. Nor did they foresee that, starting with a handful of Americans trading occasionally at Canton on a cash basis, the contact would so rapidly develop that to-day there are probably over 7,000 American nationals and some 600 American firms in China, with business holdings amounting to probably $300 million, doing a trade amounting to almost $400 million a year and a shipping industry amounting to about 7 million tons. Still less did they realize that the intercourse which they started with such small beginnings in 1785 was to bring along in its train American officials, missionaries, educators, doctors, philanthrophists as well as engineers, financiers and businessmen, and with them the most significant changes and developments in the field of finance and commerce, in culture and politics, in the relations between the two nations during the past century and a half.

### The Spirit of Friendship

In analyzing the factors which have helped promote these important economic relations, I wish briefly to mention two points: first, cultural contact, and second, the spirit of friendship that has characterized Sino-American relations during this period.

In 1854, ten years after China and America started formal trade relations, one solitary Chinese student by the name of Yung Wing graduated from Yale College in New Haven. Upon his return to China, he found the country in the midst of the Taiping Rebellion. Through the good offices of the Reverend Yen Yung-king, he was engaged by Li Hung-chang as interpreter to negotiate with the foreigners in the purchase of ammunition. Later, he got into close touch with Marquis Tseng Kuo-fan and influenced him to start the Kiangnan Arsenal, to re-organize the China Merchants' Steam Navigation Company, to establish the Chinese Telegraph Service, and last but not least to despatch one hundred and twenty Chinese students under his guidance to the United States for modern education. Although he died as an exile in Hartford, Connecticut, in 1912, when he was preparing a new educational system for China, naturally on the model of that system under which he had been educated, his influence in the educational and cultural contact between America and China has been of the utmost significance. Among his students may be mentioned men like Tong Shao-yi, Liang Cheng, Tsai Ting-kan, Liang Tun-yen, Liang Mun-ting, Teng Kai-seng, etc., who have rendered signal services to their country and who eventually assisted in the formulation of the American Boxer Indemnity Student Plan when President Theodore Rossevelt remitted the funds to China in 1908. These pioneer Chinese students to America have been followed by thousands of others, either on government or private support. The remission by America of the Boxer Indemnity, begun in 1908 and made complete in 1925, made possible the establishment of the Tsinghua University and more recently the China Foundation for the Promotion of Education and Culture as well as the sending of over two thousand Chinese students to America. These activities, along with the educational enterprises of the American missionaries in China, have turned out a literal army of men who, imbued with American ideals and American friendship, are now serving this country in various important walks of life.

I submit that such cultural contact, aside from hastening China's embarkation upon its inevitable course of modernization, has served to draw our two peoples closer together in thought and sentiment; and that, by helping to develop a distinctly receptive attitude among the Chinese for American commodities and methods of trade and finance, it has redounded, indirectly though it might be, to the great advantage of American merchants in seeking for enhanced opportunities in China. Perhaps our young men and women educated in American institutions at home and in America are the most effective advertisers and agents of American trade in China.

### China Receives Inspiration from America

International politics is a delicate subject, but in the case of the United States and China, it is a delight and satisfaction to touch on it, because the relation of the two countries has been characterized by a feeling of friendship and a spirit of goodwill, a genuine as it is I trust enduring.

The policy of the United States has made of America a good neighbor in the minds of the Chinese people. Together with other American activities in China as expressed in missionary efforts, in education, medicine and philanthrophy, it has bound America and China together by ties of goodwill. And goodwill makes for trade development as well as for cordial and friendly relations in other fields of international intercourse.

Looking back at the last 150 years, the United States has grown from a new and struggling young nation to the stature of full maturity. We admire the efforts which the American nation is now making, under the leadership of its distinguished President, to overcome the economic depression, and we are confident of its success. On the other hand, China's development along modern lines has not been long under full headway. We too are confronted with problems that are fundamentally economic. We receive inspiration from America's courage and are confident too of the ultimate success of our task of economic reconstruction. During the last five years, China has progressed economically perhaps faster than in any previous period, despite great handicaps. As economic conditions in China improve, Sino-American trade will benefit correspondingly. May we not hope that at the 200th Anniversary of the Opening of Trade between China and the United States, the two sister Republics will shake hands across the Pacific again and, still treasuring their genuine friendship, say to each other that they have built up a new social and economic order, which is richer from the crossfertilization of civilizations, which affords prosperity to the people of both nations and which is made truly safe for democracy.

*Extracts from an address delivered by P. T. Chen on behalf of Dr. H. H. Kung at the banquet of the American Chamber of Commerce and Chinese-American Trade Council, Shanghai, in celebration of the 150th Anniversary of the Opening of Trade between America and China, at the American Club in Shanghai on November 19, 1935.*

## Cyrus Adler Flays Nazi Theory of Aryan Superiority

Cyrus Adler, president of the American Jewish Committee, declared in a speech in New York last week that scientists have "demolished" the racial theories whereby the Nazis justified their program. "So, like a good strategist in a bad cause, Hitler abandons the race theory now and declares that the Jews are Bolshevists." Dr. Adler declared that the Nazi theory of Aryan superiority was the laughing stock of the scientific world, and that the eminent contradictors include Prof. Huxley and Prof. Haddon, the noted English anthropologist.

# Temporary Settlement of the North China Crisis

BY T. S. YOUNG

GEN. HO YING-CHIN, Minister of War, must be congratulated on his success in cracking a very hard nut. While the formula, by which the tense situation prevailing in North China may be temporarily liquidated, may not be totally satisfactory to many of our people who have grieved at the further loss of our national prestige and position, it, nevertheless, must be considered as the best arrangement which Gen. Ho can make in face of the Japanese determination to detach five northern provinces from the jurisdiction of the Chinese Government. So long as China is not in a position to resort to arms to defend her territorial integrity, she has no alternative but to seek a modus operandi at great pains to accommodate Japanese wishes and meet Japanese demands. The present arrangement in instituting a separate political council for governing Hopei and Chahar provinces seems to be acceptable to all the parties concerned: China has saved her important "face" by retaining the nominal control over this political council; Japan has firmly established her authority over North China; and many of the remnants of the old Peking Government have got their jobs and their forgotten names once again to the public notice.

China has indeed saved her "face." Inasmuch as the members of this Hopei-Chahar Political Council have been appointed by the Chinese Government, Nanking, on the surface, has retained its authority over these two northern provinces. At one time, the situation appeared so hopeless, that only a miracle could thwart the Japanese determination in carrying out to its successful conclusion the so-called North China Autonomous Movement. Through protracted negotiations and painstaking efforts, Gen. Ho eventually worked out a formula, by which a separate political council composed of as many as seventeen members would be formed to govern Hopei and Chahar provinces. How far and how long Nanking can retain its nominal authority over this political council, can not be told; but in comparison with what the Japanese militarists had originally planned to carry out, the present arrangement is decidedly the lesser of two evils. In view of the high military pressure exerted by the Japanese Kwantung Army and the questionable loyalty of a few of leading northern officials, we must not blame the responsible authorities of the Central Government for their failure in making a better settlement of this crisis. To all intents and purposes, the Chinese Government has really done all it can in making the best of a very bad bargain.

### Japan Consolidates Her Position in North China

Japan has definitely consolidated her position in North China as a result of new political developments. Without firing a single shot, she has succeeded in creating a political hegemony in Hopei and Chahar. For the time being, the warlords of the Japanese Kwantung Army may be satisfied with their new gains, but it can not be expected that they will contentedly give up their long cherished objective of alienating North China from Nanking. By all means, the present political set-up is merely a makeshift, and how long it will last will all depend upon the whims of the Japanese warlords. When the opportune time comes, they can easily find a new pretence to force new terms upon the Chinese officials. Therefore it will not surprise us if the present Hopei-Chahar Political Council might become a North China Political Council before long. Perhaps the Japanese warlords have preferred this gradual process of disintegrating China, because it will arouse less opposition from the world, and therefore be more sure of its successful consummation.

This new political set-up has incidentally created many jobs for the jobless retired politicians, who have long connived with the Japanese intriguers in promoting any separatist movements with the hope of regaining their political position and fortune. Wang I-tang and Kao Lin-wei, two members of the newly constituted Council, are the leading members of the notorious Anfu clique, which has had many unsavory misdeeds to its credit in the days of the old Peking Government. During the present crisis, many names of the members of that clique have been frequently mentioned as accomplices of Japanese promoters of the autonomous movement. It is hoped that the generosity shown by the Central Government toward these trouble makers will in some way wake up their conscience, so that henceforth in serving the new Council, they will refrain themselves from either instigating or participating in any anti-government activities, and exemplify their loyalty to the country.

The most interesting personality of the new Council is its Chairman, Gen. Sung Cheh-yuen. Gen. Sung, a former subordinate of Gen. Feng Yu-hsiang, achieved quite a big fame for his being able to put up a stiff resistance against the Japanese invaders along the Great Wall in the Spring of 1933. As the Chairman of Chahar province, he was frequently stigmatized by the Japanese as a "bandit" leader, and was forced to quit that office under the Japanese pressure last July. While the Japanese attacks against him had not yet died down, he, all of a sudden and to the surprise of all, was accepted by the Kwantung Army as a persona grata, and possibly on the Japanese request, was appointed as the Garrison Commander of the Peiping-Tientsin area. Since then he has virtually held the key position of North China. His present appointment as the Chairman of the Council has been expected, but the fact that a "bandit" leader can suddenly become a favorite of the Japanese warlords remains a mystery.

To Gen. Ho must be given the credit of temporarily liquidating the North China crisis. But without belittling the importance of Gen. Ho's work, it must be admitted that his eloquence and abilitity alone could not change the adamant attitude of the Japanese warlords. Unexpectedly and to the discomfiture of Japanese warlords, this autonomous movement in North China caused such a consternation to the world, that both Cordell Hull, Secretary of State of the U.S. Government, and Sir Samuel Hoare, Foreign Secretary of the British Government, simultaneously made public statements regarding the North China situation to remind Japan of the fact that the western world was not preoccupied with Italo-Ethiopian case. In their statements, neither Secretary Hull nor Sir Samuel disguised their belief that Japanese figures were playing an active part in the autonomous movement. It is more that a coincidence that Secretary Hull and Sir Samuel should comment on the North China situation at the same time. No matter how strong minded the Japanese warlords are reputed to be, they can not ignore the warnings given by the two leading Powers of the world. In face of the concerted action on the part of the United States and Britain, the Japanese warlords had to trim their sails and give an ear to Gen. Ho's overtures.

### One Rule for Manchuria—Another for Ethiopia

The League of Nations has already been subject to severe criticisms, for it has two sets of rules—one for the Manchurian Affairs and another for the Ethiopian case. It has always been asked that if sanctions can be applied against Italy now, why should they not have been applied against Japan about four years ago? Japan must consider herself very fortunate in having such a very narrow escape from this economic weapon wielded by the world's peace machinery. But who can tell that the League will not reopen the case in the light of present Japanese aggressions by applying sanctions against Japan at present? The new Foreign Secretary of the British Government is quite a different man from his predecessor, and has already been praised for his diplomatic skill and ability. In view of the fact that a strong man is now directing the British foreign policy, and that the League of Nations, for the first time of its history, has applied economic sanctions against Italy, Japan, with her guilty conscience, can not but reconsider her determined stand in realizing her wide dreams.

Dr. C. T. Wang's recent trip to Japan and his exchange of opinions with the leading officials of the Japanese Government might also lend some weight to the settlement of the North China crisis. That Dr. Wang should take a sudden trip to Japan and seek interviews with Japanese officials at the very time when the situation in North China was very tense can not be said as being for the purpose of seeking personal pleasure and renewing acquaintance with his friends only. What was his mission will, of course, remain a matter of conjecture, but it is not unreasonable to suggest that he was sent by the Central Government to Japan for the purpose of explaining China's definite stand vis-a-vis the so-called North China Autonomous Movement. It may be also presumed that as a result of his visit, the Japanese Government has sent Col. Seiishi Kita, Chief of the China Section of the Japanese General-Staff, to China to bring new instructions to the warlords of the Kwantung Army.

With the temporary settlement of the North China crisis, our people can now heave a sigh of great relief. But it must be remembered that the political horizon over North China is far from being clear and bright, and unexpected developments may happen any time. Col. Kita was quoted as having said that future developments, subsequent to the establishment of the Hopei-Chahar Political Council, will be "much more important than what has taken place so far." He further said, "Since North China events must seriously affect the future relations between Japan, Manchukuo and China, we shall have to keep a close watch over the situation until it comes to a complete settlement." Suffice it to say that the Japanese warlords will not consider the complete settlement of the North China situation, until the five northern provinces have severed their connection with Nanking and come totally under the Japanese control.

## Mrs. Walter Williams Will Teach Journalism at Yenching University

Mrs. Walter Williams, widow of the founder and dean of the University of Missouri School of Journalism, left her home in Columbia, Mo., Dec. 14 en route to San Francisco on her way to China. She will go to Peiping where she will assume her duties as an instructor of journalism at Yenching University.

# The Geographical Distribution of Leaders in China*

BY HERBERT D. LAMSON

THE present article aims to throw light upon the question of provincial productivity of prominent figures in contemporary Chinese life. This has been done by an analysis of the biographical sketches included in the fourth edition of *Who's Who in China*.[1] There are 960 persons, of whom 21 are women, all Chinese, included in our study. These have been classified into eighteen occupational divisions and each leader assigned to one of these classes, although in many instances it was possible to place an individual in one of several groups. For example, a government official may be by training an educator, a scientist, or an engineer. An educator may be an editor or social worker. We have made the assignment according to the work which seems to be predominant or upon which the person's reputation chiefly depends. There are not a few older men who are listed as being retired from active work.

The largest single class is that of government officials, which embraces 402 persons, nearly 42 per cent of all. If we add to these the diplomats and consular officers and the division of military and naval officers, we have then 55 per cent of all inclusions in direct government service. There are 122 educators, 12.7 per cent; 113 business men, 11.8 per cent; 97 military and naval officers, 10.1 per cent; 52 judges and lawyers, 5.4 per cent; 38 engineers, 3.9 per cent; 31 diplomats and consuls, 3.2 per cent; 27 religious and social workers, 2.8 per cent; 26 journalists and editors, 2.7 per cent; 21 physicians, 2.2 per cent. Other classes of occupations have less than one per cent,—aviators, agricultural experts, revolutionists, artists, architects, authors, library experts, and one actor (Mei Lan-fang). Of the 21 women, eleven are in educational work, three in social or religious work, two each are physicians and government workers, one is a lawyer, one an artist, and one a musician.

### Birthplace of China's Notables

It is an observation in other nations that not all sections of a country are equal in their ability to produce outstanding men. We have grouped our Chinese leaders according to the place in which they were born. Statements in the biographical sketches were not sufficiently detailed to make an analysis on a rural-urban basis; we have therefore been content to use provincial lines. The results of this arrangement are to be seen in Table I. Chekiang and Kiangsu provinces each contribute slightly more than sixteen per cent. of all persons in the study, but since Chekiang has small population its rate per million of present estimated population is considerably greater than that of Kiangsu. In Table II the provinces have been rearranged according to their respective rates per million and inhabitants. Here we find Chekiang far in the lead with 7.8 Kiangsu next with 4.43.

Hopei gave birth to 9.5 per cent of the notables, or about three per million of population. Peking was, and Peiping still is, noted as a cultural center. Since the beginning of modern schools in China many institutions have been started in this city, and although the capital has been removed many of the cultural and academic institutions remain. It is believed that this fact is at least one explanation of the position of this province as one of the first in the production of China's leaders. Many officials, and people desiring to be officials, congregated in or near old Peking. Their children had the advantages accruing from residence near this center of royal splendor and learning.

**Table I.—Distribution By Birthplace**

| *Province* | *Number* | *Per cent.* |
|---|---|---|
| Chekiang | 161 | 16.77% |
| Kiangsu | 160 | 16.67 |
| Kwangtung | 148 | 15.42 |
| Hopei (Chihli) | 92 | 9.58 |
| Fukien | 67 | 6.98 |
| Hupeh | 45 | 4.69 |
| Liaoning (Fengtien) | 41 | 4.27 |
| Anhwei | 37 | 3.85 |
| Kiangsi | 36 | 3.75 |
| Shantung | 30 | 3.12 |
| Hunan | 26 | 2.71 |
| Szechuen | 17 | 1.77 |
| Honan | 15 | 1.56 |
| Shansi | 13 | 1.35 |
| Yunnan | 12 | 1.25 |
| Kwangsi | 8 | 0.83 |
| Kweichow | 7 | 0.73 |
| Kirin | 6 | 0.63 |
| Shensi | 5 | 0.53 |
| Mongolia | 4 | 0.42 |
| Heilungkiang | 2 | 0.21 |
| Tibet | 2 | 0.21 |
| Kansu | 1 | 0.10 |
| Foreign countries | 13 | 1.35 |
| Not stated | 12 | 1.25 |
| *Total* | 960 | 100.00% |

In Table I it may be pointed out that the first five provinces, Chekiang, Kiangsu, Kwangtung, Hopei and Fukien, are all what may be termed sea coast provinces. In Table II the first six provinces are all on the coast, the additional one being Liaoning (formerly Fengtien) in Manchuria. This last named province furnishes 4.3 per cent of the leaders, or 2.7 per million. Here is situated the city of Mukden and the ports of Newchwang, Dairen, and Port Arthur. It is interesting to note that these first six provinces furnish approximately seventy per cent of all the inclusion in the volume under discussion. Shantung is the only coastal province which falls down in comparison to the leading provinces. It furnishes about three per cent of the leaders, but at the rate of only 0.87 per million of its population.

**Table II.—Birthplace Per Million of Population**

| *Province* | *Number Per Million* |
|---|---|
| Chekiang | 7.81 |
| Kiangsu | 4.43 |
| Kwangtung | 4.02 |
| Fukien | 3.93 |
| Hopei | 2.92 |
| Liaoning | 2.73 |
| Anhwei | 1.70 |
| Hupeh | 1.57 |
| Kiangsi | 1.31 |
| Yunnan | 1.09 |
| Shansi | 1.08 |
| Kirin | 0.89 |
| Shantung | 0.87 |
| Kwangsi | 0.73 |
| Hunan | 0.64 |
| Kweichow | 0.61 |
| Heilungkiang | 0.57 |
| Honan | 0.43 |
| Shensi | 0.42 |
| Mongolia, Tibet, Sinkiang | 0.39 |
| Szechuen | 0.28 |
| Kansu | 0.13 |

Hupeh is the non-coastal province which furnishes the highest percentage of leaders among those provinces which are not along the coast. It has 4.69 per cent of our outstanding figures, and 1.57 per million. A glance at our map of China shows that the Yangtsze River flows through the entire length of Hupeh. On this river are located the open river ports of Hankow and Ichang.

Anhwei province is also away from the coast and has 3.85 per cent of the leaders and 1.7 per million of population. Kiangsi, like Anhwei lies just away from the coast, being situated "behind" Chekiang, Fukien, and Kwangtung. It furnishes 3.75 per cent of the inclusions, or 1.31 per million. Thus the provinces which are situated in what might be termed the first interior line away from the southeastern sea-coast furnish from one to two leaders per million, while the coastal provinces, except Shantung, furnish from 2.7 to 7.8 per million.

The provinces which furnish from 0.5 to 0.9 leaders per million are also interior places, excepting Shantung. These are the two northernmost provinces of Manchuria, Kirin and Heilungkiang, also a cluster of provinces in the southern interior, Kwangsi, Hunan and Kweichow. The group of places in which fewest leaders were born, from none to 0.49 per million, are likewise in the interior, Honan, Shensi, Szechwan, Kansu, Mongolia, and Tibet.[2]

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1. *Published by the China Weekly Review, 160 Avenue Edward VII, Shanghai.*

2. *The publishers of the volume, "Who's Who in China" state: "It is perhaps inevitable that the book contains a larger proportion of the sketches of residents of the coastal or more accessible, districts. The disturbed political situation often prevented mail communications with certain areas in the interior, which explains the limited number of sketches from such provinces as Kweichow, Szechwan, Shansi, Shensi, Kansu, Sinkiang, Jehol, Suiyuan, Chahar, and Yunnan. Those however who are included from these districts represent in most cases the leading personages, particularly officials."*

*It should be noted that we have been speaking of provinces not on the basis of present residence, but on the basis of birthplace. However, in that the farther removed from the coast and places of easy communication the people are the more likelihood there is that they will remain in their own province, what the publishers state bears some weight.*

**An Analysis of "Who's Who in China," fourth edition, published by the China Weekly Review. The fifth edition is now on the press and will shortly be published.—This analysis is reprinted from the China Critic.*

It is probable that since the volume was published in Shanghai, the largest city in China, there was a tendency in compilation to secure a larger proportion of names from persons now resident in the most accessible places. It is also probably true that persons born in coastal provinces find their way to the prominent coastal cities as places of residence, more readily than do those born in more remote places. It spite of this possible factor in the selection of the persons included, we feel that there is actually a preponderance of leaders born in these leading provinces. We are not prepared to contend that the biological inheritance of the people in these places is superior to that of other Chinese in more remote districts. We do, however, contend that, considering the geographical location of the coastal provinces, it is in harmony with the principle of cultural diffusion to expect that these regions which first received modern inventions and ideas from overseas will show a corresponding leadership in the production of outstanding men and women.

The ports which were declared open to foreign trade and commerce were naturally the places in which foreign ideas first penetrated. Moreover, at the present time when something new comes to China from the Occident, it usually arrives first at the great ports, such as Shanghai, Hongkong, or Canton, and from these places spreads along the waterways and railways into the hinterland.

**Table III.—Occupation in Relation to Birthplace by Provinces**

| Birthplace | Official | Educator | Business | Military | Legal | Engineer | Diplomatic | Soc. and Rel. Work | Journalist | Medical | Aviator | Agronome | Revolutionist | Architect | Author | Artist | Librarian | Actor | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Kiangsu | 52 | 16 | 28 | 4 | 13 | 8 | 10 | 4 | 12 | 6 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 160 |
| Chekiang | 58 | 34 | 30 | 2 | 20 | 5 | 4 | 3 | 3 | 1 | – | – | – | 1 | – | – | – | – | 161 |
| Kwangtung | 58 | 18 | 23 | 7 | 7 | 9 | 4 | 3 | 5 | 4 | 2 | 3 | 2 | 1 | 1 | 1 | – | – | 148 |
| Hopei | 45 | 8 | 3 | 23 | – | 3 | 1 | 4 | – | 3 | 1 | – | – | – | – | – | 1 | – | 92 |
| Fukien | 21 | 12 | 5 | 8 | 3 | 5 | 4 | 1 | 4 | 4 | 2 | – | – | – | 1 | 1 | – | – | 67 |
| Hopeh | 21 | 4 | 2 | 7 | 1 | – | 4 | 4 | – | – | – | 1 | – | – | – | – | 1 | – | 45 |
| Liaoing | 26 | 3 | 3 | 7 | – | – | 1 | 1 | – | – | – | – | – | – | – | – | – | – | 41 |
| Liawei | 20 | 3 | 6 | 6 | 1 | – | – | 1 | – | – | – | – | – | – | – | – | – | – | 37 |
| Kiangsi | 19 | 3 | 1 | 2 | 3 | 1 | 2 | 1 | 1 | 2 | – | – | – | – | 1 | – | – | – | 36 |
| Shngtung | 12 | 1 | 3 | 9 | 1 | 1 | – | 2 | 1 | – | – | – | – | – | – | – | – | – | 30 |
| Hunan | 11 | 7 | 2 | 4 | – | 1 | – | 1 | – | – | – | – | – | – | – | – | – | – | 26 |
| Szechuen | 7 | 1 | – | 4 | – | 1 | – | 1 | 2 | – | – | – | – | – | 1 | – | – | – | 17 |
| Honan | 6 | 3 | – | 2 | – | 1 | 1 | – | – | – | – | – | – | 1 | – | 1 | – | – | 15 |
| Yunnan | 7 | 1 | – | 2 | – | 2 | – | – | – | – | – | – | – | – | – | – | – | – | 12 |
| Shansi | 12 | – | – | 1 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 13 |
| Kwangsi | 2 | 2 | – | 4 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 8 |
| Kweichow | 5 | – | – | 2 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 7 |
| Kirin | 5 | 1 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 6 |
| Shensi | 3 | 1 | 1 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 5 |
| Mongolia | 4 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 4 |
| Heilungkiang | 2 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 2 |
| Tibet | 1 | – | – | – | – | – | – | 1 | – | – | – | – | – | – | – | – | – | – | 2 |
| Kansu | 1 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 1 |
| Foreign Country | 1 | 2 | 4 | – | 2 | – | – | – | 2 | 1 | – | – | 1 | – | – | – | – | – | 13 |
| Not Stated | 3 | 2 | 2 | 3 | 1 | 1 | – | – | – | – | – | – | – | – | – | – | – | – | 12 |
| Total | 402 | 122 | 113 | 97 | 52 | 38 | 31 | 27 | 26 | 21 | 6 | 5 | 5 | 4 | 4 | 4 | 2 | 1 | 960 |

Among these early cultural impulses which arrived at the ports were those carried by the missionaries who brought Western education and knowledge in many fields. Gradually institutions of higher learning were established, chiefly in the coastal provinces or in those bordering the Yangtsze River in such cities as Canton, Hongkong, Foochow, Hangchow, Shanghai, Nanking, Wuchang, Tientsin, and Peking. These centers of learning, with colleges operated both by governmental and missionary agencies, naturally attracted most strongly and in largest numbers those who were born in or near these centers. It seems obvious that a smaller proportion of the young residents of remote Kansu province will come to Shanghai for training than will come from Kiangsu in which this city is located. Since leadership in China today demands a high degree of education, except for some military men, it seems evident that those people born in provinces in which there are the most stimulating contacts and educational opportunities available will have a greater chance of becoming leaders.

Let us consider, forexample, the leaders who attended Tsing Hua University in Peiping. We find that out of 43 notabes, 34 were born in one or another of seven coastal provinces, nine in Kiangsu, eight in Chekiang, five in Fukien, five in Kwangtung, three in Hopei, and two each in Liaoning and Shantung. The other nine were born in Szechwan, Hupeh, Kiansi, and Hunan, all interior provinces through parts of which the great Yangtsze River flows.

Again, let us consider the 61 leaders who attended St. John's University in Shanghai, an old missionary institution founded as a middle school in 1879. There are 54 who were born in the four coastal provinces of Kiangsu (24), Chekiang (17), Kwangtung (9), and Fukien (4). These two institutions were selected just as examples since they represent respectively the governmental and missionary universities in which the largest number of persons in *Who's Who* received their higher education in China.

Hopei leads all other provinces in the production of military leaders, 23 having been born there, while the nearest province to this is Shantung which furnishes nine. After this comes Fukien with eight, most of whom are naval officers. Although Chekiang is the leading province in total number and in rate per million of inhabitants, it has only two military leaders in our volume. Kiangsu has only four, while Kwangtung is credited with seven. Chekiang leads other provinces in the number of lawyers, business men, and educators. Chekiang ties with Kwangtung for first place in respect of officials. Kiangsu leads in the number of physicians, journalists, and diplomats. In Table III we have arranged the occupations of these outstanding men and women by provinces, according to birthplace.

### Age of Leaders

In Table IV there are presented data relative to the ages of the leaders according to occupational distribution. Of the 815 persons whose ages are stated, the average age is 46.1 years, and the mode 43. The age group having the largest number of persons is the 40—44 year division which includes 179 persons, or 18.6 per cent of the 960 cases. Twenty-two per cent of all inclusions are under forty years old, and 57 per cent are under fifty years old. Twenty per cent of the leaders are in their thirties, 35 per cent in their forties, 19 per cent in their fifties, 7 per cent in their sixties, and 1.5 per cent in their seventies.

**Table IV.—Average Age by Occupation**

| *Occupation* | *Number Cases* | *Average Age* |
|---|---|---|
| Revolutionist | 5 | 54.6 |
| Military officer | 78 | 49.5 |
| Business man | 102 | 48.7 |
| Govt. official | 341 | 47.7 |
| Diplomatic officer | 27 | 46.6 |
| Physician | 16 | 44.5 |
| Journalist | 23 | 43.5 |
| Social and religious worker | 21 | 43.4 |
| Lawyer and judge | 45 | 42.1 |
| Engineer | 34 | 42.0 |
| Educator | 102 | 41.1 |
| Aviator | 5 | 38.2 |
| Actor | 1 | 38.0 |
| Architect | 3 | 37.0 |
| Author | 3 | 35.7 |
| Librarian | 2 | 34.0 |
| Agricultural expert | 4 | 32.0 |
| Artist | 3 | 31.7 |
| Age unknown | 145 | |
| Total | 960 | 46.1 |

It may seem somewhat curious that the oldest group of leaders in the study are "revolutionists." This is to be explained by the fact that these men were prominent in helping to overthrow the Manchu regime more than twenty years ago, when their average age was about 34 years. These men are still known for their service at that time and are notable for that effort rather than for present work. The recent young revolutionists are, many of them, in official life and so come under that heading.

Several factors may be brought forward in support of the relatively youthful character of the notables in China. In the first place, the reputed high death rate of China means that the average length of life is considerably lower than that prevailing, for example in the United States. For this reason many promising young persons are cut off at an age earlier than would be the case were the death rate lower. This would make for a smaller proportion of older men in China. In the second place, there seems to be a tradition of rather early retirement from active life. Although there are some men in the volume under discussion who are listed as retired, there are doubtless others who once were prominent and active who have now retired and do not care to have publicity. This last factor

may be a further reason for smaller number of older men. The latter tend to be more conservative and not interested in having their biographies or pictures included in *Who's Who*.

A third factor is the political overturn which took place in 1911-1912 at the time of the overthrow of the Empire. At that time many leaders found themselves out of harmony with the new republican form of government demanded by the younger revolutionists. The social and political upheavals, which frequently spurned the old and embraced the new, left many men unable or unwilling to accept the new day, and to make the adjustments demanded. The classical system of education did not prepare men for the changed conditions. It was too late for men of forty to make over their education and their ideas in wholesale fashion. It was easier for young men to take up the new tasks. Many middleaged leaders went into retirement.

### Education of Leaders

Education abroad plays a considerable part in the life of Chin'a leading men and women. Out of our 960 cases, 132 did not state facts relative to location of schools and places in which specific studying was done. In 521 cases, 54.3 per cent, definite study abroad is indicated. In 307 cases formal studying was done only in China. In some of this last mentioned class we find that short observation trips were made abroad, but the data are not sufficiently clear to warrant conclusions. It is very likely that if study abroad was undertaken systematically it is mentioned in the biographical sketches.

Of the 521 cases definitely mentioning study abroad, 286 received all of this foreign education of the United States; 119 in Japan; 46 in England; 21 in France; 6 in Germany; 6 in Belgium. A few other countries are represented with smaller numbers. In some few other cases education was secured in more than one foreign nation, for example, 6 studied in United States and England, 4 in United States and Germany, 3 in England and France, 3 in United States and Japan, 3 in France and Japan. In addition there are a few other men scattered over two or more countries in other combinations.

Another aspect of the education of our leaders is the type received and institutions attended in China. This we have analyzed irrespective of any foreign education the individual may happento have. In 620 cases specific schools and colleges located in China were stated. Of these 620 persons, 201 or 32.5 per cent attended at some time in their career a school or college operated by missionary agencies, while 419 attended non-missionary higher institutions. If we take the missionary percentage of the whole 960 cases it comes to 20.9. In many of the biographical sketches the schools in which elementary and secondary education were secured are not clearly stated, or are omitted. Among such it is quite likely that some attended earlier in their career schools under missionary auspices.

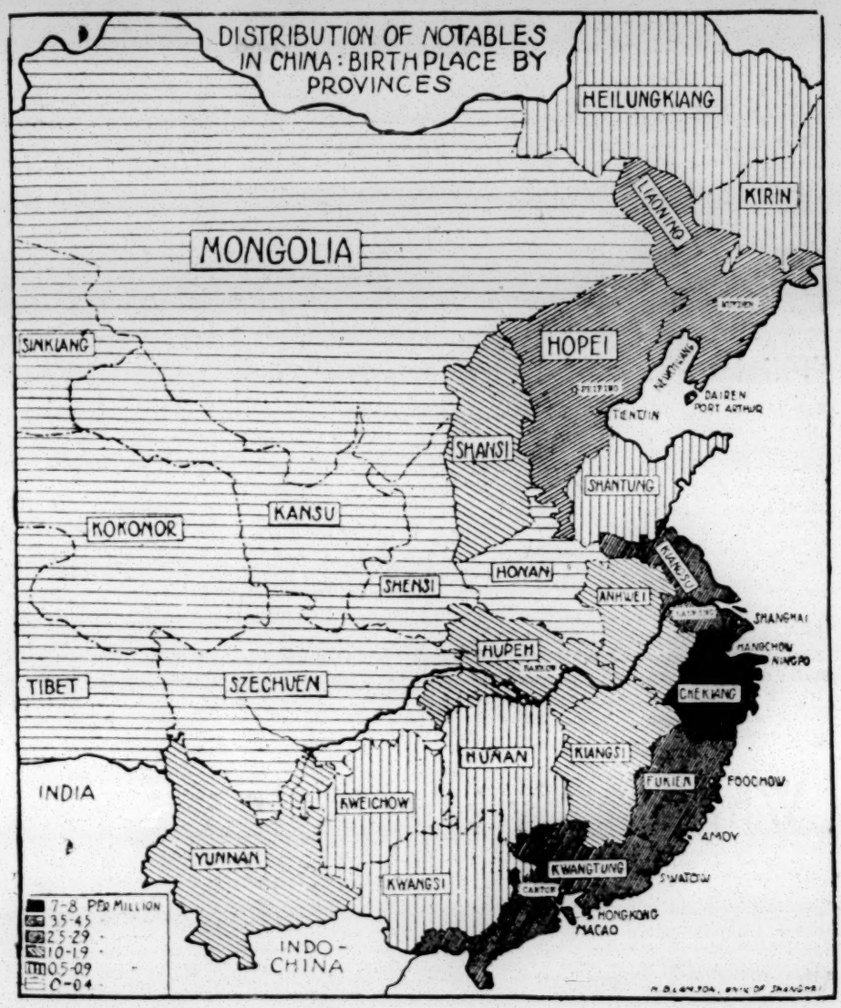



**Table V.—Non-Missionary Institutions Attended in China**

| *Name of Institution* | *Number Attending* |
|---|---|
| Tsing Hua University | 44 |
| Peiyang University | 39 |
| Nanyang University | 29 |
| Paoting Military Academy | 27 |
| Peking Government University | 22 |
| Peiyang Military Academy | 19 |
| Peking Imperial University | 9 |
| Futan University | 8 |
| Queen's College, Hongkong | 8 |
| Nanking Naval College | 7 |
| Tientsin Naval College | 6 |
| Customs College, Peking | 6 |
| College of Law and Politics, Peking | 6 |
| Foochow Naval Academy | 5 |
| Military College, Peking | 5 |
| Peking College of Language | 5 |
| Peiyang Naval College | 4 |
| Tongshan Engineering College | 4 |
| Kiangnan Arsenal School | 4 |
| Shansi University | 4 |
| Hongkong University | 4 |
| Chefoo Naval Academy | 3 |
| Tung Wen College, Peking | 3 |
| Institute of Modern Languages, Shanghai | 3 |
| Shengchow Law School, Shanghai | 3 |
| Army Commissariat College | 3 |
| Nankai College | 3 |
| National China Institute, Woosung | 3 |
| Chekiang Gov't. Law College | 3 |
| College of Mongolian and Tibetan Languages | 2 |
| Miscellaneous Normal Schools | 7 |
| Miscellaneous engineering and technical shcools | 12 |
| Miscellaneous law schools | 18 |
| Miscellaneous military schools | 44 |
| Indefinite or unclassified schools | 47 |
| *Total* | 419 |

NOTE: Old names of institutions have been used, also "Peking".

Table V shows the number of leaders attending the respective non-missionary institutions in China. It will be noted that Tsing Hua Unviersity stands at the head of the list, Peiyang University second, and Nanyang University third. Of the 419 cases, 123 or about 29 per cent attended military or naval schools.

In Table VI there is presented a list of the missionary schools and colleges attended as stated in the biographical sketches.

**Table VI.—Missionary Institutions Attended in China**

| *Name of Institution* | *Number Attending* |
|---|---|
| St. John's University | 61 |
| Soochow University | 16 |
| Nanking University | 13 |
| Lingnan University (Canton Christian College) | 10 |
| Boone University | 9 |
| Yenching University (N. China Union College) | 7 |
| University of Shanghai (Shanghai College) | 5 |
| Anglo-Chinese College, Foochow | 5 |
| Anglo-Chinese College, Shanghai | 5 |
| Peking Methodist University | 5 |
| Fukien Christian University | 4 |
| Hangchow Christian College | 4 |
| McTyeire School, Shanghai | 4 |

| | |
|---|---|
| Anglo-Chinese College, Tientsin ... ... ... | 4 |
| St. Stephen's College, Hongkong ... ... ... | 3 |
| St. Ignacius College, Shanghai ... ... ... | 2 |
| Aurora University, Shanghai ... ... ... ... | 2 |
| William Nast College ... ... ... ... ... | 2 |
| Miscellaneous mission schools ... ... ... ... | 40 |
| *Total* ... ... ... ... ... | 201 |

NOTE: In Tables V and VI no man is listed under more than one institution.

From this it will be observed that the leading institution is St. John's University in Shanghai. Thus we note that the Christian missionary movement has played, and is playing, a prominent part in the production of notable men and women in China.

It is of interest to note that Ellsworth Huntington in his *Character of Races* (P. 161-163) shows that the proportion of men holding higher degrees under the old system was greatest in Chekiang, with Kiangsu and Hopei following second and third respectively. The first three provinces in this present study are Chekiang, Kiangsu, and Kwangtung, in this order. Kansu is lowest in both studies.

## "Filipinos Have No Fear of Japan," Says Senor Romulo

The new Commonwealth of the Philippines has no fear of Japan, declared Senor Carlos P. Romulo, publisher of the *Philippines Herald* and other newspapers, in an interview with newspapermen in New York Dec. 4. "We do not fear Japan," he said. "We will try to show her our position, in an attempt to make her a sympathetic ally."

### Japanese Cotton Imports to the Philippine Islands

Discussing the import of Cotton Textiles into the Philippines, the Tokyo *Asahi* Nov. 30 brought up the question of the relation of imports from Hongkong to the Islands in connection with the limitation agreement concluded by the U.S. and Japan last October. As the limitation was retroactive to August, the Japan Philippine Cotton Textile Exports Association, upon the agreement coming into force, suspended the issue of Philippine export certificates on November 15 in anticipation of the volume of exports to the Philippines exceeding the limits in the first half of the period. Moreover, an understanding exists between the United States and Japan as the result of negotiations that the exports of Japanese cotton textiles to the Philippines from Hongkong are not to be included in the volume limitation agreed, as they are beyond Japanese control. Under these circumstances the Foreign Office has instructed Ambassador Saito to reject the American representation, as it is allegedly based on false premises, especially as exports from Hongkong are a problem which the Philippine Government should consider itself.

### Narcotic Drug Traffic Decreases in Philippines

Traffic in narcotic drugs in the Philippines showed a decrease during 1934, as compared with the previous year, according to a report submitted Dec. 3 by the Bureau of Narcotics of the U. S. Treasury Department. More than 400 cases of opium-smoking were recorded during the twelve-month period. Those arrested included 356 Chinese, 57 Filipinos and one German.

## Japanese War Office Press Head Starts Tour of China from the South

Col. Hiroshi Nemoto, Chief of the Press Section of the War Office and the man who speaks for the Army, departed from Tokyo Dec. 15 on a five-week inspection tour of China and Manchuria. Col. Nemoto will made his first stop in Hongkong, later making his way to Canton and Kwangsi. From there he will proceed for a brief visit to Shanghai and Nanking. He will spend most of his time in North China, studying the prevailing conditions and the administrative changes in Hopei and Chahar. He will later proceed to Manchukuo, returning to Tokyo on Jan. 20 of next year.

## J. Heng Liu to Be Warned by Reprimand

The Committee for the Disciplinary Punishment of Public Functionaries has adjudged Dr. J. Heng Liu, Director of the Central Hospital, and Dr. Shen Ko-fei, Deputy Director and concurrently head of the Surgical Department, guilty of charges of negligence of official duty and disregard of human life preferred against them. In announcing their decision, the Committee stated that Dr. Liu is to be warned by a written reprimand, and Dr. Shen is given a demerit.

# Why the System of Extraterritoriality Should Be Abolished in China*

BY SAO-KE ALFRED SZE

*Chines Ambassador to the United States*

WHATEVER may have been the justification for the original imposition of the extraterritoral system upon China nearly a hundred years ago, during recent years there have been such great improvements in the laws of China and the tribunals for heir interpretation and application that there is now no sufficient basis for the claim that foreigners cannot obtain, in Chinese courts, as adequate a protection of their legal rights as is obtainable in other countries where the extraterritorial system does not exist, and where there is no claim that it should exist. In this connection it may be stated that in the United States there is not complete satisfaction with the manner in which either the civil or criminal law is administered, and that, even in Great Britain, the cost of civil litigation is so great that, as recently declared by an eminent British barrister, the people "avoid the courts as they would the plague." If then, there are serious defects in the administration of justice in such countries as Great Britain and the United States, it is clear that, because China's administration of justice is not perfect, there is not sufficient ground for insisting that foreigneres, rasiding in China and enjoying its hospitality, should be exempted, as defendants, from the operation of Chinese law and Chinese courts.

As a matter of fact administration of justice by and in the Chinese courts has been found reasonably satisfactory by those foreigners, and there are many of them, who do not enjoy extraterritorial rights.

Leaving aside these considerations, from its very nature the system of extraterritorial jurisdiction, as it exists in China, exhibits such inherent defects in practice that its results are unfortunate not only to the Chinese but to the foreigners themselves.

*Dr. Sze then quoted from writings by Professor Willoughby, a recognized American authority, enumerating the defects of the extraterritorial system, and continued:*

### System Is in Derogation of Dignity

Professor Willoughby declares first of all that the system is in derogation of the dignity of China. This it certainly is, but it is much more than this. It is more than an offence against the self-respect or *amour propre* of a sovereign State. It tends to weaken the authority of the Government of that State in the eyes of, and over, its own people. This is a serious matter in the case of a country like China which, under tremendous difficulties, is striving to create for itself a strong and efficient National Government, organized and operated along modern lines and founded upon a popular basis.

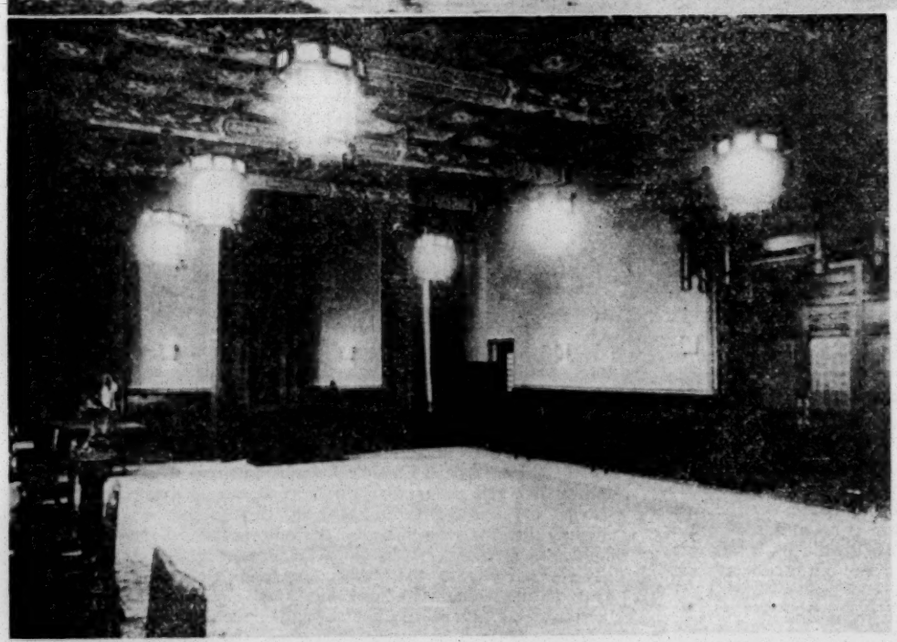
*Extracts from Prof. Willoughby's Writings:*

"Such a Government needs the full confidence of its own people in its own strength and authority. When, then, they see that Government disqualified from exercising rights which they know other Governments possess, they necessarily have not the respect for that Government which they otherwise would have, and, therefore, are not disposed to give to it the full and loyal suppert which they otherwise would be disposed to give. . . . . In my opinion the extraterritorial system is a far more serious handicap to the Chinese Government in its efforts to organize and develop the country than most people realize . . . . As an impairment of national sovereignty its psychological effects are injurious, especially when combined with the superior and overbearing attitude which it tends to induce in aliens in China and in their diplomatic representatives. The prestige of the Government with its own people is impaired by its inability to control aliens within its territory. When efforts have been made to enforce factory regulations or new taxes the Chinese interests affected not unnaturally object to submitting when enterprises owned by foreigners cannot be subjected to the same conditions."

### Extraterritorialized Foreigners Escape Local Taxation

The reference to taxes which, though enforced against Chinese, are not submitted to by extraterritorially-privileged foreigners, requires a word of explanation and some elaboration. There is no legal basis whether in subsisting treaties

**Extracts from a speech delivered before the East Asiatic Society, Cambridge, Mass., Nov. 7, 1935.*



*Top*—**Side View of New Ministry of Foreign Affairs Building at Nanking.**

*Left*—**View of Main Hall of Foreign Affairs Building.**

**The corner stone of the new Ministry of Foreign Affairs building was laid June 1, 1933.**

or in generally accepted international law, for the claim by extraterritorially privileged aliens of exemption form local taxes when they are not discriminatory against themselves; and, certainly, there is no ethical basis for such a claim. In fact, however, in many cases, such exemption has been, and still is, sucessfully asserted. Thus, though it cannot be said that this unfair advantage which extraterritorialized aliens in China have in the matter of taxation is inherent in the system of extraterritoriality, it is, in fact, one of the objectionable results of that system.

With regard to Professor Willoughby's statement that the extraterritorial system tends to create in China an anti-foreign feeling, I think it may be said that this statement should be qualified or, at least, explained. It is no doubt true, and naturally so, that the Chinese people should deem it a grievance that other Powers should claim for their nationals in China an exemption from local laws and local judicial tribunals which is in derogation of the sovereignty of their own State and which is not insisted upon by them with regard to their nationals in other civilized States. But I do not think it correct to say that this has resulted in what may be termed an anti-foreign feeling on the part of the Chinese. In earlier years, in conjunction with other facts, it may have had some influence in arousing a general antagonism to foreigners, but for many years this has not been the case. The Chinese people now have a general and sincere friendliness towards forneigners Certainly it is true that the fact that the United States, in common with a considerable number of other States, still claims extraterritorial rights for its nationals in China, does not prevent the friendliest feelings of the Chinese for Americans. American policy generally toward China has been traditionally too friendly to make any other result possible.

With regard to the fact that, in some cases, the extraterritorial courts find that there exists no law of their respective counrties which is applicable to the facts involved, or, if there is a law applicable, that its provisions are wholly unsuitable for application to those facts, Dr. Sze said: "This lack of applicable law arises from the fact that, generally speaking, the laws of a country have no application outside the borders of that country unless they have been specifically made thus applicable, and that in no case has a country enjoying extraterritorial jurisdictional rights in China made a serious effort to provide its courts with a body of law, comprehensive in its scope, and, at the same time, so drafted as to meet the special and peculiar conditions that prevail in China.

In conclusion I wish to say that it seems to me plain, and I hope that I have made it plain to this audience, that there are abundant reasons why the Powers which now have, by treaties, extraterritorial jurisdictional rights in China should consider the surrender of them. The continual existence of these rights, as I have shown, mars the continued existence of a regime for the administration of justice which is honeycombed with irremedial defects, which offends the dignity of China, which, in many cases, denies justice to her citizens, and which, while securing no substantial benefits to foreigners, operates incidentally to their disadvantage. To mention but one of these disadvantages is the fact that, as long as foreigners are entitled to exemption from the operation of local laws and local judicial tribunals, it is not practicable for China to grant to foreigners in the interior of China—that is, outside the so-called treaty porte—those rights of residence, land-owning and business undertakings which they enjoy in other civilized countries where extraterritorial rights are not insisted upon.

# Chang Chun, Hupeh Chairman, Assumes Foreign Minister Post

(BY THE REVIEW'S HANKOW CORRESPONDENT)

GENERAL Chang Chun, chairman of Hupeh provincial government and newly chosen Minister of Foreign Affairs in General Chiang Kai-shek's new cabinet, returned with General Ho Chien, chairman of Hunan province, from Nanking the 10th of Dec. after a month's absence, during which he attended the Fifth Plenary Session of the Central Executive Committee. Gen. Ho Chien left the next day for Changsha.

The former chairman of Hupeh left for Nanking on the 13th inst. by Ford plane after spending three days crowded with appointments, tiffins, and formal farewell dinners. A huge crowd, estimated at several thousand bade the governor goodbye at the Wanchiatung airport, Wuchang.

### Gen. Chang Chun's New Policy

General Chang Chun took over the chairmanship of Hupeh province in May 1934. Since that time he has been advocating the abolition of the present committee system of government for a more centralized governor system. His term of office has been a trying time. When he arrived in 1934, the province was just recovering from the after-effects of the Red disorders and then came the devastating floods of 1935, which laid waste huge tracts of land in the Han river valley.

### Wuhan Regrets the Departure of Gen. Chang Chun

There can be no doubt about the attitude of the greater part of the people in the Wuhan center with regard to the chairman and his wife. That they have been held in high esteem by the great majority is evidenced by the many sincere expressions of regret at their leaving, manifested in the speeches and toasts given them at the farewell functions arranged by local organizations.

### Consular Body Bids Farewell at the German Consulate

The Consular body arranged a farewell for the Governor at the house of the Senior Consul General, Mr. W. Timann of the German Consulate General. Two functions were held the evening of the 12th, the one a cocktail party in the Yien Yih Bank building where over two hundred prominent Chinese officials, foreign consular and military officials, business leaders and financiers, gathered to pay their respects to the departing governor, the other a dinner party given by the Cosmopolitan Club of Wuhan in the Kincheng Bank building.

### Chang Tze-peng or Yang Yun-tai to Succeed Chang Chun

There seems to be no definite news regarding the successor of Governor Chang Chun. Earlier in the week it was freely prophesied that Yang Yun-tai, chief secretary of they eneralissimo during his many anti-communist campaigns, would succeed as chairman of Hupeh province. However, the latest name to be mentioned for this post is that of Chang Tze-peng, a native of Hupeh, highely esteemed by the community and a man of sterling character and profound learning. His nomination was brought before the authorities at Nanking by several Hupeh military and political leaders.

### Reds in Hunan Reported Surrounded

Government reports from the Red-infested areas in western Hunan indicate that the government troops are giving the Reds a hot chase. In one telegram the statement is made that the Reds have been completely surrounded and "there is no means of retreat left open to them." This does seem to be a trifle too optimistic. seeing that Ho Lung has managed to find a way out dozens of times during the past eight or nine years.

### Sinhwa Reported Recaptured from Reds

There does appear to have been some fighting between the Reds and the pursuing government troops. On one occasion the government troops claim to have killed 200 Reds near Yuanling and to have taken seveeal hundred others captive. The truth of the matter may be that the Reds having looted to their hearts content are purposely withdrawing. Once having gained their objective they seldom stay long in a walled city. It were well if the report of their being surrounded at Chiaokiang and Tichuang should prove true.

### Hankow Light and Power Co. Installs New A. C. Plant

Owing to the increasing demand for A. C. electric current in the Special Administrative Districts and Concession areas in Hankow, the Hankow Light and Power Company this past week has just completed the installation of the new A. C. plant, consisting of two D. C. to A. C. 60 Cycle, 220-380 volt Motor Generator Sets of 50 and 100 Kilowatt capactity respectively. The installation was completed on Tuesday, Dec. 10 when Mrs. Gerald Gill, the wife of the General Manager of the company, turned over a switch which opened up the new supply of Alternating Current, a welcome event to all users of Neon Lights, radios, refrigerators, etc.

### Bandits Cause Alarm in Wusueh

Three hundred brigands near Whangmei and Kwangtsi were reported as heading for Wusueh. Considerable alarm was felt in this latter port and a Chinese gunboat was dispatched to the scene at once and reinforcements of government troops likewise. It is believed that the band of robbers is a small portion of a larger unit, originally about seven hundred, driven from Anhui toward Hupeh. However, bus service between the three above-mentioned towns has been maintained. This news came through on Friday the 13th of December.

### Wuhan Schools Protest Autonomy Moves in North China

More than 100 representatives of various educational institutions in the Wuhan area, including 40 colleges and middle schools, decided at a meeting held on Thursday, Dec. 12th, at Hwa Chung College, to send a telegram to the authorities in North China, urging them to resist the autonomy movement on account of its harmful effect on the integrity of China. They also voiced their willingness to cooperate with the educational circles in Peiping in their patriotic enthusiasm, providing all action be in accordance with the government's policy towards the North China problem.

Hankow, Dec. 16, 1935.

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# "The Liberal Retreat in China"

*The following are extracts from an article under the above heading, written by Frank Rawlinson, editor of the Chinese Recorder, published in the Christian Century (Chicago), Sept. 25, 1935.*

HAS the depression in mission finances reduced the strength of liberal Christianity in China? The economic tribulation is certainly no respecter of theologies or sects. If it is working justice on the mission field then justice is most certainly blind. One large American mission preferring to be known as conservative since 1926 has more than seen the budget of its board reduced 73 per cent and its personnel, in all fields, reduced 69 per cent. Fifty per cent of the conservative missions showed a slight gain in 1933-34, while only 40 per cent of the liberally inclined groups showed such a gain. American missions, it is obvious, have suffered in general more than the British. Liberal American missions are the worst hit.

In general it is the liberal-minded missionaries who have been most successful in training Chinese leaders to take their places. Such training has been particularly noticeable in the American board missions and the Y.M.C.A. and Y.W.C.A. That being so, the missionaries concerned find it easier to step out. Retrenchment forces their retirement, but willingness to yield to Chinese colleagues makes it an easier step for liberals. Nor are liberals as likely as conservatives to drum up their own support.

What will be some of the effects of this weakening of missionary liberalism? Will it, for instance, enable the conservatives to dominate the Christian movement in China? It might! But I do not think it will necessarily work out that way. A vociferous individualistic missionary (American) was recently expressing to me his dislike of almost everything not in line with his ideas. Among his dislikes was the "liberal" National Christian Council of China. Through the Council, he averred with ardor, the liberals were endeavoring to capture the Chinese church. He implied, indeed, that they were working out a blueprint program to that end. Since its inauguration the range of representation of the Council has been decreased. It now directly represents 58 per cent of the Protestanst in China. I doubt whether, while it has a comprehensive and progressive program, it can be designated as either liberal or conservative in thinking, though the program is what mainly disturbs such critics as the one mentioned above. It never discusses theology. If it did an explosion would certainly occur! The weakening of the liberal missionary element in the Council adds to the difficulties of carrying out its program of reconstructive activities. For it is the liberal-minded members of the Council—Chinese as well as missionaries—who take the initiative in cooperative planning. They are likewise found in the forefront of movements for Christian unity. To a large extent they are connected with Christian institutions or national organizations. The lessening of the missionary element therein will inevitably slow up the urge to cooperation and unity, for a time at least.

The liberals have not captured the Chinese church. The present tendency to weaken the liberal missionary element makes such a possibility more remote than ever.

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# British Shipping Allegedly Discriminated Against in Newly-Opened Kiangsu Port

Alleged discrimination against British shipping in favor of Chinese in the newly-opened port of Laoyao, on the coast of Kiangsu, near the terminus of the Lunghai Railway, was discussed in the House of Commons Dec. 11. Prime Minister Baldwin said that British ships were entitled to trade at Laoyao, which was recognized under the Inland Water Regulations. He added that he understood that certain difficulties had arisen in connection with the application of these regulations, and that the Foreign Secretary expected to receive a report shortly, which would receive careful attention.

# Chinese Railways

## Nanking-Shanghai and Shanghai-Hangchow-Ningpo Lines

**From Shanghai to Nanking: 311.04 Kilometers**

**From Shanghai to Hangchow: 189.57 Kilometers**

The Nanking-Shanghai Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

## "Future Developments in North Will Be More Important": Col. Kita

Col. Seiishi Kita, chief of the China Section of the Japanese General Staff, now in Tientsin as a liaison officer between the Japnese North China garrison and Tokyo, was quoted by *Rengo* as having said that future developments, subsequent to the establishment of the Hopei-Charhar Political Council, will be "much more important than what has taken place so far." He continued:—"Since North China events must seriously affect the future relations between Japan, Manchukuo, and China, we shall have to keep a close watch over the situation until it comes to a complete settlement." Attempts to "suppress the legitimate wishes of the people" by moving central troops northward into Hopei, will be drastically dealt with by the Japanese Army, Col. Kita added.

In connection with the recent developments in North China, Col. Kita, of the General Staff in Tokyo, is reported by the *Shanhgai Mainichi* to have declared that Tokyo was well aware of the desire of the population in North China to free itself from the corrupt administration of the Central Government and to carry out the autonomy movement. "As for Japan," he continued, "she also wishes North China to be 'bright', free from the internal conflicts of China, and further able to carry out economic cooperation, because North China is a region inseparable from Japan, Manchukuo, and China."

### Autonomous Government Presses Kailan Mining Administration for Taxes

Officials of the East Hopei Autonomous Anti-Communist Council expect to collect $1,200,000 from the Kailan Mining Administration and operators of other mines in the demilitarized zone, it was learned from official Japanese sources in Tientsin Dec. 12. If the K.M.A. refuses to pay the amount stipulated, protection of the properties will be withdrawn. The K.M.A. has hired 200 experienced men, former military police officers in Peiping, as mine guards.

### Japan's Army and Navy—The Governing Factor

Commenting upon the complaint of the Nanking Government to signatories of the Nine Power Treaty regarding Japan's action in North China, the London *Morning Post* declared Dec. 5.—"The governing factors, to be frank about it, are the army and navy of Japan. Thanks to our modern policy of disarmament, and to our embroilment in the Mediterraean, we are helpless to interfere."

The impossibility of saying at this juncture whether the present events in north China prejudice the Nine-Power Treaty was emphasized Dec. 13 in the House of Commons by the Prime Minister, Stanley Baldwin, in reply to a question asked by a Communist member. "The recent movements of Japanese troops in the Peiping and Tientsin area," Mr. Baldwin stated, "have been apparently those of the forces which Japan is entitled to maintain south of the Great Wall under the Boxer Protocol of 1901. The facts of the situation are too obscure at present to make it possible to say whether the Nine-Power Treaty is relevant to them."

### North China Autonomy Hits Shanghai's Flour Trade

Most of the Chinese flour mills in Shanghai are expected to suspend work in the near future, owing to the increasing shrinkage of markets in North China. It may be recalled that prior to the Mukden event, two-thirds of the total trade in flour from Shanghi mills was with North China. However, the market in the North has been reduced to practically nothing, owing to repeated famines in North China and the high tariff imposed by Manchukuo.

### All Classes Protest Against "Independence" Movement

Anti-autonomy demonstrations having been staged in Canton, the Japanese gunboat *Kaga* was rushed to Canton from Hongkong. Shanghai Chinese educationists, commercial leaders, prominent residents, laborers, and representatives of various walks of life are rallying in protest against the independent movement. In several manifestos issued Dec. 12, the preservation of national sovereignty and territorial integrity was urged. In a circular signed by more than 230 residents, including real estate owners, bankers, etc., opposition was raised to the formation of any special council under foreign guidance. The Government also was urged to take action against the east Hopei Autonomous Government established by Yin Ju-keng.

### Japanese Try to Force Land Transfer at Tangku

Refusing to comply with the Japanese demand for the signing an agreement for lease of the former German wharf and its properties at Tangku, Wu Lung-fu, Commissioner of Public Safety for the Tangku and Taku area, was placed under detention by the Japanese military authorities Dec. 12. Representations were made to Major-General Tada, Commander of the Japanese Forces in North China, in accordance with instructions from Gen. Shang Chen, but proved of no avail. The former German wharf is adjacent to a Japanese wharf at Tangku. During the Great War, the wharf was taken care of by Messrs. Carlowitz and Co. Opposition was voiced by the occupants last spring when the Japanese military authorities sought to incorporate the former German wharf with the Japanese wharf for military purposes.

### Girl Allegedly Leads Farmers' Revolt in North China

According to a report received in Tokyo, a 18-year-old girl, daughter of a district headman, is leading one of the farmers' autonomy movements in North China. At the head of 1,600 farmers, it is said, she went to a district south-east of Poting on Dec. 7, took the chief of the district captive and declared self-government for the farmers.

### Japanese Claim to Fly Over Hopei Is Refuted

The recent statement of Colonel Takahashi, Japanese Military Attache in Peiping, that Japanese airplanes are allowed by the Ho-Umetsu agreement to fly over all Hopei, was contradicted Dec. 12 by a member of the defunct Military Council who is in very close touch with General Ho Ying-chin, War Minister. Declaring that the Japanese statement was totally incorrect, he stated that during the negotiations last June concerning Hopei between General Ho and Lieut.-General Y. Umetsu, former commander of the Japanese garrison in North China, the question of flying over Chinese territary by Japanese planes was never discussed.

### Yale Professor Urges U. S. Hands Off Orient

Dr. Samuel Bemis, diplomatic authority of Yale University, in an article published Dec. 10, urged that the United States maintain a policy of hands off in the Orient. American acquisition of the Philippines was a diplomatic blunder, he contended. The United States has failed to benefit from the Open Door policy in China and would have obtained more trade there if China had been partitioned or placed under British or Japanese protection, in his opinion.

"Americans would never fight to maintain the Open Door or to protect the administrative and territorial integrity of China. Then why should we attempt to maintain it by words," he asked.

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## New York "Herald-Tribune" Flays Japan's Actions in China

Accusing Japan of flagrant violation of the Nine-Power Treaty, which provides for maintenance of China's territorial and administrative integrity, the New York *Herald-Tribune* Dec. 15 expressed concern over Japan's attitude at the London Naval Conference. "Japan's truculence in insisting rigidly and stubbornly that the principle of parity be accepted at the opening of the conference is not so disturbing," it says, "as the success of Japan in putting the naval cart before the political horse." "The Japanese," the journal continues, "have persistently overlooked or obscured the fact that the Washington Conference of 1921 covered not only limitation of naval armaments, but also a settlement of political disputes affecting the Pacific and Asiatic mainland.

"The Nine-Power Treaty is part of the general accord. Japan has flagrantly violated that treaty, and has now embarked on a policy of aggression in Asia. "It is no more possible now, than it was in 1921, to disentangle the naval problem from international politics.

"If Japan is bent on a policy of rule or ruin, the Western Powers will be better off without a treaty of naval limitation than with one, which while granting Japan equality of tonnage, would actually assure Japan's supremacy in the Pacific from Alaska to Australia."

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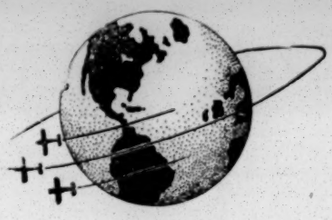
## Moscow Press Predicts "Mighty Explosion" in North China

The Moscow newspapers Dec. 14 published sensational articles dealing with Japan's "March on North China," stating that 5,000 Japanese troops have already been landed at Shanhaikwan, while 25 train loads of troops are expected soon. Moscow is closely following Japanese activities in northern China. It is emphasized that "panic is reigning among the Chinese population of the afflicted cities especially in view of the fact that Japanese intentions are so hazily defined that the worst must be expected."

The Moscow press regards these developments as forebodings of a "mighty explosion, which in the near future will rock the world" and it is pointed out with satisfaction that the Soviet press some time ago had prophesied that a separation of the five Northern provinces was imminent as a consequence of Japanese propaganda activity there.

The Hoare-Laval peace proposals are described as a Bombshell by Carl Radek, recognized as one of the most brilliant political writers in Russia, in an article in *Izvestia*. He stresses that grave consequences are likely to ensue in the Near East. Ethiopia's struggle for liberty, he declares, has aroused excitement among the native peoples of Africa and the Moslem masses in Arabia, Syria and Palestine. Britain's present policy does not make her position easier in this part of the world. The situation is so inflamed, concludes M. Radek, that a way out by a mere diplomatic deal is impossible.

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A View of the Bund in Shanghai with the dome of the Hongkong & Shanghai Bank and the belfry of the Customs House on the left and the Monument to the War Dead on the right. The newly erected Broadway Mansions are to be seen rather dimly in the background toward the right.

# The British Bid for Status Quo*

BY S. Y. LIVINGSTON HU

IN this article I shall impartically discuss the nature of the British Bid for Status Quo in Africa and in Europe by its manipulation of the covenant of the League of Nations for the suppression of Mussolini's ambition for the conquest of Ethiopia—an apparent and real obstacle to British domination over the Western Hemisphere. It should be noted that the League of Nations is not a League of Nations for world peace but a League of one or two principal Powers of Europe for the perpetuation of their secret diplomacy and the subjugation of the smaller nations. At the moment Britain is making use of the League against Italy in the Abyssinian campaign.

### The Vanishing Vestige of British Diplomacy

It may be a paradox but none the less a plain fact at the same time that the British Empire is becoming a shadow, its diplomacy a vanity and its present performance in sanctions as to the Ethiopian issue a farce which is wholly in accord with many of its past diplomatic precedents. The British Empire is not confident in its own powers and thus Britain never fails to exploit the influence of others by its well-timed use of its old device of "balance of power" for the furtherance of its own selfish ends. When it comes to the division of spoils she always claims and gets the lion's share. For example:—When Napoleon started his campaign of world conquest Britain made use of Russia and pledged her alliance with Austria but refrained from moving her own forces. Britain sent her own troops to Central Europe when Napoleon suffered a crushing defeat at Moscow and thus Britain caught Napoleon in the battle of Waterloo and exiled him to the Island of St. Helena. In the latter half of the 19th century Russia was a great military threat to the peace of Europe and when Russia had a longing eye on the Bosphorus, the gateway to the Black Sea and the natural outlet for the grains of Ukraine, then Britain initiated the Anglo-French offensive against Russia. When Russia cast a greedy eye on India, Britain initiated the Anglo-Japanese Alliance for the protection of India. When Japan drew up her eight-and-eight squadron program for the defense of the Pacific Coast, Britain instigated America to call the Washington Conference for the restriction of capital ships and for the abrogation of the Anglo-Japanese Alliance, but when America pleaded for British co-operation in checking the rampant Japanese aggressions in Manchuria on Stimson's Non-Recognition Doctrine she turned a deaf ear to this American plea for justice and for the restoration of the League of Nations from rhetoric to reality, because Britain knows definitely that to irritate Japan for no cause of her immediate concern would jeopardize her Far East lifelines, since Japan has already overtaken her trade in India and in China.

### Mussolini's Threat

About thirty years ago Kaiser Wilhelm II of Germany challenged British Diplomacy by the Tanger Incident, nominally aimed at the French policy of "Tunisification" in Morocco, but actually directed at Britain, from which she saw the sign of the approach of a new Napoleon and his threat of a fresh bid for Continental Hegemony, so she allied herself with France and Russia against Germany. In the eyes of Britain the present Italian invasion of Ethiopia has come to have some semblance of the same menace as that attached to the earlier Russian enterprise in trying to control Turkey and that of the French threat to cut the Cape-to-Cairo line of British imperial expansion, while forgetting that Mussolini's challenge to Britain this time has been more direct and desperate, as shown in his notice to the British National Government that the price of any British interference with Italian aims in Ethiopia would be the cutting off of the lifeline of imperial communications and the compromising of the British position in Egypt, the Sudan and the British Mediterranean System and that the application of sanctions meant war. Ordinarily Britain could easily move Hitler to exert pressure upon Mussolini to relinquish the enterprise but unfortunately the old British device of "balance of power" cannot find new employment with those two would-be Napoleons—one in the North Sea and another in the Mediterranean. Besides, to ally with Germany would invite a clash with France, Russia and the nations of the Little Entente, who have a common fear of Hitler, so the British diplomatic choice is between two evils of equal magnitude. Consequently Great Britain had to make the best of the worst bargain by disguising its imperialistic designs with this "rubber-stamp" League of Nations—a League so crippled and paralysed as to have lost such Powers as America, Germany and Japan. Sanctions applied by the League of Nations against Italy under British diplomatic maneuverings would substantiate the claim of the rational opponents of the League of Nations as a war-manufacturing machine but to apply sanctions is one thing while to make the same effective would be another question of an entirely different nature.

### The League Sanction—A Farce

In the judgment of the British National Government after the enforcement of sanctions against Italy the League of Nations from now onwards will be an integral part of the British foreign political equipment but in the sound judgment of the impartial world opinions, sanctions against Italy would not only be ineffective but would also entail serious political and military complications on account of such impeding factors as those non-sanctionist countries—Germany, America, Austria, Hungary, Albania, Paraguay, Switzerland, Brazil, Yugoslavia and even some of the British Dominions, the patronizing attitude of France; and the most essential of all the world opinions against these British-made and League-practised sanctions, together with the impossibility of an Anglo-American Co-operation, to say nothing about the positive and the negative Italian counter-sanction measures. The French patronizing attitude towards sanctions can be evidenced from the press report that a vigorous protest against anti-Italian sanctions has been addressed to Premier Laval by the president of the Syndical Chamber of the French Textile Industry on behalf of eighty adherent associations; so Laval has again taken up the threads of reconciliation on account of the Stresa Agreement and of his fear of the German attitude towards the matter and that Britain after its success at the polls will base her foreign policy more than ever on the League of Nations and to adhere more strictly than before to the policy of sanctions, and that if Britain were today to call on the Dominions to take part in a European War she would beyond doubt be met with refusal; but, if the League of Nations were to make the same demand it would certainly be accepted. Laval also fears that military defeat or economic collapse in Italy may hasten German action as German rearmament is proceeding apace and also there has been a constantly growing pressure of economic privation upon both Mussolini and Hitler.

The impartial adverse world opinions will exert the most deterrent influence upon the success of sanctions and they would visibly and invisibly exercise their international power of aversion, as the days go by. Simultaneously the world opinions have provided rational solutions to the economic problems as well as to the political problems confronting the world today.

### When Japan Flouted the League

Major C. R. Attlee of the British Labor Party criticized unsparingly Baldwin's loopholed statement that "Neither the League of Nations nor British civilization can condone a multiple breach of treaties and survive." But how Japan flouted the League and treaties and got away with it! He attributed the present position of Europe and of the Far East today largely to Britain's and the League's failure to act in the Sino-Japanese Dispute and advocated that the Nile water supply should be a matter for League control, while Egypt should be released from her present relationship with Britain and the Sudan should be administered under a League mandate in order to transform the League from shadow into reality for the future. He also attacked the British rearmament policy as contrary to League principles as advocated by Churchill at such an incredible figure as £800,000,000 for direct and indirect preparations, namely, to establish new naval bases in the Mediterranean, to protect the Suez Canal and Mosul oil fields and to build new naval bases at the Suez Canal and Red Sea by fortifying Perin Island, which might have spurred France to contemplate the building of the new French Mediterranean base at Mers-el-Kebir at the opening of the Straits of Gibraltar facing Spain, thus providing French control of the west Mediterranean. Sir Herbert Samuel, of the Liberal Party, urged the League to adopt a constructive peace policy and to provide machinery to remedy legitimate grievances and in this connection he mentioned the fact that three-quarters of the earth was divided among nine political units, while the other fifty nations had only a quarter. Judging from the foregoing opinions and solutions it would be impossible to withhold sympathy from the League's oponents, who become restive at the arrogantly moral tone adopted by some vainglorious pundits at Geneva. Those *proposed* solutions may sound ludicrous to Britain as irreducible facts, which, if followed, would save the British Empire from further ruination and would make the world safe for democracy.

The near-impossible Anglo-American cooperation in world politics would be another paramount obstacle to the enforcement of sanctions against Italy. Everybody of ordinary intelligence in world affairs would say that in theory England and America should find themselves invariably united in all problems of world politics as each of them is a satiated or saturated country. But how comes it that they cannot combine in continuous, overt and active cooperation to secure that common object, the maintenance of world peace? Fundamentally it is because they have too many deep-rooted traditional prejudices against each other, such as British jealousy of American success as a new nation and as a greater nation and the American super-valuation of its national ideal as being simpler, purer and more enlightened than the feudal, decadent and appallingly complicated politics of Europe and hence its Monroe Doctrine and the American sensitiveness to British self-complacency. On the other hand the primary interests of the one are but the secondary interests of the other, as Britain occupies an insular, a continental and also an oceanic position while the American position is mainly oceanic and its security has reference only to the Panama Canal and the Far East. But the bottom reason for this impossible Anglo-American cooperation in world affairs is that America in

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**This article as it appears has been somewhat cut down from the original owing to limitations of space.*

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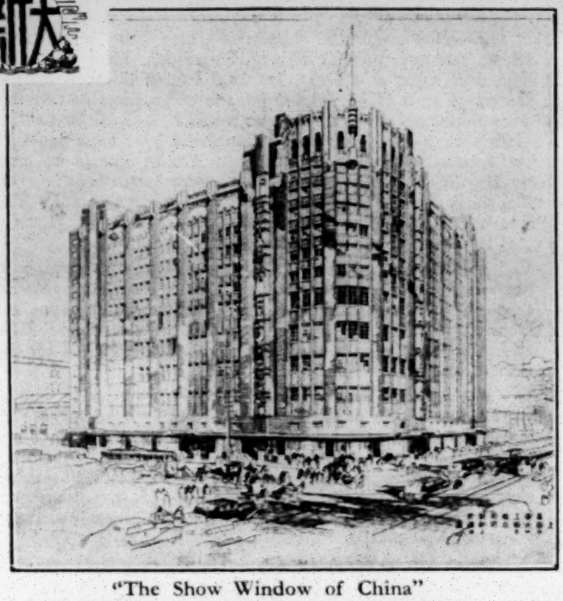

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the remote past as well as in the recent past has been too many times induced to act as British cat's paw, to have pulled quite a few nuts out of a few terrible fires for Britain. Vide the last World War and the Washington Conference. It is the opinion of the sane-minded that if British purposes in any given circumstance were tolerably unselfish, moral and wise, Britain could, in the long run, count on American sympathy or at least upon her non-opposition.

Mussolini said that Italy will oppose an economic siege by the coalition of egotistic and plutocratic powers, with its most implacable resistance, its firmest decision and its most supreme contempt—as Mussolini rejected all the British conditions.

It has been rumored that Mussolini attempts at reorganization of Tangier at the Gulf of Gibraltar, now mandated under the British-French-Spanish joint control, and at sending troops to Albania and at taking over Yugoslavia, a French protectorate, and that Germany demands the return of the former German colony, Tanganyika—upon the British request of Germany to join the sanctions, while Italy counter-offers Germany with Tyrol of Austria now mandated under Italian control. In short if sanctions could be made effective they would not only humiliate Italy and her Fascism but they would also humiliate the League, England and all other gullible sanctionist countries as well, because our industrialized civilization today is a great co-ordination and thus, whatever is detrimental to one country would be detrimental to all.

### The British Empire—A Shadow

That the British Empire is a shadow is fully demonstrated by the statement of Lord Tweedsmuir, Governor-General Designate of Canada, that the world has seen three British Empires, namely, the first one ended with the loss of American colonies, the second one ended with the first shots of the Great War, the third one—an alliance of independent sovereign peoples now in full being and that she is now approaching her fourth stage—an alliance of sovereign peoples plus something more, while disregarding the political truth that the machinery of a workable alliance is not an easy task—as Burke pointed out long ago that a strong nation can only be founded on the basis of strong local attachment—wherein lies the impending danger to the British Empire. But every patriotic Englishman is so self-complacent that he feels at heart that his British Empire is one of the eternal verities while every other nation is either an upstart nation or a satellite and that its Royal Navy has shielded the British Isles, for nearly 900 years and has planted colonies on every continent, thus naively overlooking such other verities of the day as the revived German navy in the North Sea, the challenging Italian navy in the Mediterranean and the overwhelming power of the Japanese navy in the Eastern Asiatic waters, to say nothing about the almightiness of air forces in the next Great War and about the agitations above and underneath in India and in Africa either for native self-rule or for a reassignment of foreign domination, as Gandhi is not yet dead and the present disturbance in Egypt is not yet quelled. Thus, I am driven to the conclusion that either "Patriotism is the last refuge of a scoundrel" or "Faith can move mountains."

I am neither a prophet of doom nor a false alarmist but a prophet of a new era for the final displacement of "Secret Diplomacy" with "Open Diplomacy," because I am well assured that "the time has come when nations will have to learn to have mutual respect for one another's problems" or this God-forsaken world or this man-made hell will be more chaotic than it was before its creation. H. R. Knickerbocker has vividly depicted the nature of next world war, which will be of unprecedented barbarity and which will ignore all laws and which will use all old and new, known and secret, weapons for the attack on combatants and civilians alike.

December 14, 1935.

## Chekiang Paper Mill to Receive British Boxer Funds

The 35th meeting of the Board of Trustees for the Administration of the Indemnity Funds Remitted by the British Government was held in Shanghai Dec. 9 at the Bankers' Club, Shanghai. Among the matters discussed was the proposal of the Kwangtung Conservancy Commission for a loan of £80,000 in materials for the development of coal mines at Kuo Ya Tung. It was decided that the matter should be referred to the Technical and Finance Sub-Committees for further consideration. Guarantee for the repayment of principal and payment of interest on the proposed loan for the establishment of the Wenchi Paper Mill (Chekiang) was considered. The Ministry of Industry, with the authorization of the Executive Yuan, suggested that the amortization payments should be incorporated in its annual budget. It was decided that, provided an irrevocable undertaking be given by the Executive Yuan, the Ministry of Finance and the Ministry of Industry, the suggestion will be implemented.

# Noteworthy Construction Work in Shensi

BY HUBERT T. M. SOONG (宋子明)

AFTER the Japanese military occupation of our Northeastern provinces in 1931, China, the so-called "Sleeping Lion" by foreigners on account of her slow progress in regard to her national reconstruction) has awakened from her sound dream. Since then, our Nanking authorities have gradually focused their attention on the long-negected Northwest. The slogan "Develop the Northwest" has been echoed and re-echoed throughout the country. Strong appeals to the nation to direct its attention to the development of the northwestern provinces were repeatedly made by those who have the welfare of the people and plans of national up-building at heart. Large numbers of people comprising our governmental officials, scholars and students from South and Central China have come into the Northwest to investigate and study the general conditions with a view to devising plans in order to faciliate the task of development. In the midst of these happy signs, it is therefore of great interest to say that this province, Shensi, did make remarkable progress in many respects during recent years. Perhaps it is a shock to those who are outsiders or newcomers when they begin to learn the astonishing progress made in this province. But it is a fact. In the following paragraphs I will therefore confine myself to mention only some striking achievements in Shensi alone with a view to making it known to the outside world that this province now is not what it was when hundreds of thousands of people in this province were starved to death and as many women and children were sold through the city of Tung-Kwan into Shansi, Honan, and Hopei as a result of poor means of transportation between the drought-stricken districts and the sources of food supply outside, when the most terrible famine occurred from 1928 to 1931.

### Recent Progress of Communication and Transportation Service

*The Extension of Lung-hai Railway.*—The great need of the Northwest in the opinion of many, is the development of the means of transportation. The extension of the Lung-hai Railway therefore has not only greatly facilitated the development of the natural resources and agricultural products which are plentiful in these places along both sides of the line, but it has also helped to extend the authority of the Central Government to the frontier regions ons the west. Already the new railway is bringing about remarkable changes in the cities it traverses. Though about 1,000 miles from Shanghai, the Capital of Shensi is now only about fifty hours away by train. Steps are being taken to immediately extend the line to Sien-yang, one-time the Capital of Ching Shih Huang Ti, the Great Wall Builder. It is hoped that in a few years the railway will be built right to the heart of Kansu province.

To all who have China's educational, religious, social and industrial needs at heart, the matter of highway construction should claim first consideration, even if for no other reason than for the betterment of the class of people who farm the bulk of the Chinese mass. Therefore the highways in the Northwest, being of great importance in regard to national defence and economic development, deserve our particular attention. We should take active interest in this particular need of our country, and there is hardly any doubt that the building of some system of country highways in this province will be instrumental in the development of our Northwest. In view of this, I am happy to say that there exist many highways running now through the length and breadth of the province.

In the following I will enumerate them one by one as to get a clear picture of them.

*1.—Sian-Lanchow Highway.*—The road is 750 km. long and is the main connecting line between Shensi and Kansu provinces. It starts from Sian, Shensi, and passes through Sienyang, Lichuan, Chienhsien, Yungshou, Peihsien, Chengchwan, Pingliang, Lungteh, Chingning, Wheining, Tingsi, Yuchung, and finally it reaches Lanchow. Before 1933 the work of construction was carried on by the International Famine Relief Commission with the assistance of troops stationed along the line. Only a small portion of the work had been completed when the floods of 1933 destroyed much of the road-bed and bridges. Since that year the work has been taken over by the National Economic Council. The whole line was re-surveyed and considerable modifications of the original plan made. Since March, 1934, the project has been divided into five sections, and construction is taking place in each section simultaneously. It is now possible to make this journey from Sian to Lanchow in five days by motor car instead of 18 days as required by the old horse cart.

*2.—Sian-Hanchung Highway.*—In 1934 the National Economic Council decided to construct this Sian-Hanchung Highway on account of its strategic and economic importance. There are already in existence several roads of a kind between the terminals, and after due consideration the Council decided to build a highway along the route taken by one of these old mountain paths, the Peichantao. The road is 720 li long. It starts from Sian and reaches Hanchung after passing through Sienyang, Hingping, Wukung, Fufeng, Kishan, Fengsiang, Paochi, Fenghsien, Linpa, and Paocheng. Now, this road has been successfully completed and opened for motor-car service.

*3.—Hanchung-Kingkiang Highway*—This road was jointly constructed by the Shensi provincial government and the soldiers of 38th Route Army stationed along the line. It starts from Nancheng, passing through Mienhsien and then reaches Kingkiang with a total length of 140 kilometres.

*4.—Hanchung-Paiho Highway*—This line starts from Nancheng, passing through Sisiang, Shihchuan, Hanyin, Ankon, Sungang, and stops at Paiho. Its total length is more than 1,000 li. It costs a sum of $1,500,000 for the completion of this line. The whole line was divided into two sections, and the first section from Nancheng to Ankon is to be completed by Shensi province, while the second section from Paoho to Ankon should be constructed by Hupeh, in accordance with an order given by General Chiang Kai-shek, President of the National Military Council. The whole line has already been under construction and it is to be believed that it will soon become an accomplished fact.

*5.—Sian-Chengtsukuan Highway.*—The construction of this main line is already underway. It starts from Sian. After passing through Lantien, Shanghsien, and Shangnan, it stops at Chengtsukuan. It has a total length of 300 kilometres. Before the end of the next month, the whole line will be opened for the operation of motor service.

*6.—Sanyuan-Chengyang Highway.*—This road begins from Sanyuan and stops at Chengyang, Kansu, after traversing Shunhwa, Chengning, and Ninghsien. It is about 400 li long. Some actual survey work was started this spring by order of the Shensi provincial government. But owing to the Communist menace, the survey work only extended to the border of Kansu province. Now, the section between Sanyuan and Shunhwa is already under construction.

*7.—Sienyang-Yulin Highway.*—The total length of this road is more than 1,400 li and is the main connecting line between Shensi and Mongolian borders. It starts from Sienyang and reaches Yulin, after passing through Sangnan, Yaohsien, Tungkwan, Ichun, Chungpu, Lochwan, Kwanghsien, Kanchuan, Yenan, Yenchang, Yenchwan, Tsingkien, Suiteh, and Micheh. In the fall of 1934, the survey work and actual consturction were carried out simultaneously. At present time, the section from Sienyang to Lochwan has been opened and the remaining part will be finished as soon as the Communist-bandits infesting the region have been suppressed.

*8.—Fuku-Paotou Highway.*—This road is the connecting line between Shensi and Suiyuan with a total length of 400 li. It starts from Fuku and reaches Paotou, Suiyuan province, after passing through Chunkuerhchi, Mongolia. It was projected and constructed by Lin Chih Kuan, a merchant in Paotou.

Aside from the above-mentioned highways, some minor modern highways have already been completed throughout the province and have been opened to traffic and heavy transportation. Regulars bus service is well and efficiently conducted and maintained by the Shensi Public Road Bureau. They are as follows :—

(1) From Sian to Tungkwan, 280 li.
(2) From Sian to Chaoyi, 420 li.
(3) From Sian to Lantien, 80 li.
(4) From Fengsiang to Kuochen, 60 li.
(5) From Sian to Nanwutai, 50 li.
(6) From Tengsiang to Lunghsien, 160 li.
(7) From Sanyuan to Weinan, 130 li, and
(8) From Kishan to Kuochen, 60 li.

Besides the construction of highways, the extension of air mail-routes is also of great significance. To assist in the development of the Northwest, which is a part of the Central Government's reconstruction policy, a new air-mail route was established in May, 1934, between Sian, Lanchow, and Ninghsia. It is a fact that over half of the mails along the Sian-Lanchow section of the Shanghai-Lanchow line are carried by planes. The passengers' berths are nearly always fully occupied in its once-a-week service and its clientile consists principally of officials and rich merchants.

### Irrigation Systems Carried Out

In order to improve the drainage of the rivers of Shensi provinces, the construction of the Wei Pei irrigation project, known as King Huei Chu, has been jointly carried out by the China International Famine Relief Commission and the Shensi provincial government. It was started in the middle of December, 1930, and since then hundreds of farmers were recruited to begin excavation of the new cannals. In a short while the total number of people employed on this project increased to nearly 5,000 a day. Dams, bridges and tunnels were constructed for the purpose of regulating the amount of water, so as to make it good for irrigation purposes. Altogether it took two years to complete the King Huei Chu, at a cost of more than $1,000,000. Because of the completion of this herculean task, the entire project can irrigate 600,000 mow of land with a flow of 16 cu. m. per second and the adjacent districts will no longer suffer from drought. The volume of production of these areas has therefore increased by leaps and bounds, the villages are full of healthy-looking people and there are many farm animals around.

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Being impressed by the result achieved by the Wei Pei irrigation project, the Shensi provincial government and the National Economic Council have been prompted to undertake two larger additional irrigation schemes; to wit, Lo Huei Chu and Wei Huei Chu. Improvement work of the former, that is the Lo Huei Chu, is already under way, while the latter, Wei Huei Chu, is in the stage of preparation. It is said that these two irrigation systems, when completed, will furnish water to 1,500,000 mow of farmland.

**Plans Carried Out for Agricultural Relief Work**

Realizing that rural cooperatives will meet the urgent need of the farmers in the Northwest, the National Economic Council has cooperated with the Shensi provincial government in the establishment of a Shensi Agricultural Cooperative Committee which has the control of all cooperative work in this province. Over 1,000 rural cooperatives have been organized and the farmers have been greatly benefitted by their existence.

For the purpose of improving the Cotton quality and the extension of cotton-growing, the Cotton Industry Commission of the National Economic Council has established a branch bureau in Sian. There is also a Cotton Demonstration Station in Shensi primarily for cotton extension work.

As wood oil is produced in enormous quantities in this province and is bringing in a large amount of money annually, the Shensi provincial government is now taking great interest in this field. Steps have already been taken to extend this crop, and what is more, in order to encourage the planting of wood oil trees as well as to improve the quality of the product, the Shensi provincial government has despatched experts to the oil producing regions to make some actual investigation and study of the wood oil conditions. The important districts producing wood oil in this province are: Hsian, Peiho, Sanyang, Ankang, Pingli, Shihchuan, and Hanchung. The Shensi wood oil is sent to Hankow over the Han River, and the great collecting center is Siangyang at the head of the river, hence the name Siangyang wood oil. In view of the above, the Shensi wood oil, I am sure, is of great promise in future.

Again, in order to feed the people in time of emergency or some unforeseen famines, last year the Shensi provincial government established 304 granaries, which are distributed in different districts. This year, the provincial government has also endeavored to establish more and steps are being taken to investigate the chosen places as well as to devise means for the building up of granaries. Up to the present, out of the ninety odd hsien in the province, 68 hsiens have contributed grains to the granaries established by the government. Therefore it is safe to say that, when all these granaries are successfully established, Shensi will no longer suffer from shortage of food supplies.

In China, as we know, in many provinces for the past years opium has been cultivated under the pressure of military and civil authorities as a means of raising revenue for armies. Shensi is therefore no exception under such circumstances. Few farmers or merchants can avoid participation in the cultivation of and trade in opium if they want to carry on business. For this reason, I am happy to say that the Shensi authorities are now fully aware of the evil results wrought by this poisonous drug and have found it necessary to arouse the people's attention, to wake them up to face the situation. With this purpose in view, the Shensi provincial government together with the Anti-opium Association in Sian have started a large-scale campaign against opium and narcotics in this province. A plan of gradual suppression of the narcotic evil is being strictly enforced by the provincial government. At present no poppy fields are found between Tungkuan and Sian, though beyond Sienyang there are many farmers who are wholly dependent upon opium cultivation for their livelihood. Of the total hsien in the province, about two-thirds have already stopped opium cultivation. Anyone found smoking or dealing in opium in these districts would be given the death penalty. It is to be expected that in a few years the narcotic evil will be totally suppressed.

In summing up, let me repeat that the results achieved in relation to different reconstruction work by the Shensi authorities are indeed astonishing. To be sure, if they all work together toward this direction in future as they are doing now, the destiny of the province will be like the rising sun of the summer morning, forever glorious and beautiful.

Sian, December 6, 1935.

## No Change of Status of Chinese in P. I., Says Dr. J. R. Hayden

Dr. J. R. Hayden was the guest of Vice-Minister Hsu Mo in Nanking at dinner Dec. 9 and later proceeded North enroute to the United States via Siberia. In an interview Mr. Hayden said that the Chinese residents in the Philippines are mostly engaged in business and live in cordial relations with the Filipino people. He did not see any immediate changes in Sino-Philippine trade relations or in the status of Chinese residents in the Islands under the new Commonwealth Government.

While stressing the fact that overseas Chinese in the Philippines had heretofore controlled about 80 percent of retail trade in the Islands, Dr. Hayden nevertheless intimated that the economic influence of the Chinese residents there has been steadily dwindling recently due to the "Japanese heavily cutting in."

## Admiral Nagano Says Japan Will Make No Concessions

In explaining Japan's formula for a common upper limit to the naval conference Dec. 12, Admiral Nagano said that it did not apply to France, Italy, Germany and the Soviet Union as these powers possess no interests comparable with those of Japan, America or Great Britain. The upper common limit will be applied separately to each of the major classes of warships, namely capital ships, aircraft-carriers and A-class cruisers, Admiral Nagano added. Other warships will be treated under a global tonnage formula, with each power building minor vessels in accordance with its requirements. Although Japan desires to fix the upper common limit at a lower figure than the naval strength of great naval powers at the present moment Admiral Nagano explained, Tokyo is ready to make the terms elastic, considering the geographical and tactical needs of each power. Asked if Japan would modify its stand, the Admiral declared, "Our formula of naval limitation has been prepared by the Government after the most careful study, and there is absolutely no room for any concessions. I wish to make this point clear beyond any doubt."

Norman Davis, chief American delegate to the Naval Conference, and Admiral O. Nagano, chief Japanese delegate, engaged in a verbal duel during the Dec. 17 session over Japan's demands for naval parity with the United States and Great Britain. Admiral Nagano argued that, if granted common parity, no fleet enjoying equality would dare attack another. Mr. Davis, evidently referring to Japan's encroachments in China, declared that "that would fail to prevent a heavily armed Power from committing acts of aggression against a weak, unarmed nation."

### Why Britain Needs a Big Navy

Admiral Sir Ernle Chatfield, First Sea Lord of the Admiralty interpreted the objections of the British government to the Japanese naval claims in an informal interview with Admiral Nagano in London, Dec. 14. Stating that the claim for a common upper limit was the most difficult to accept of the Japanese theses, Sir Ernle declared:

1.—Practically, the concession of parity to Japan would mean considerable inferiority for the British Navy in Far Eastern waters as the European situation compels Britain to keep the largest part of her fleet near the continent.

2.—Britain's responsibility for the defence of her Imperial possessions entitles her to a navy larger than that of any other country. Other powers can easily and speedily concentrate their fleets at any given point in an emergency whereas the scope of Britain's needs is far greater, involving not only the defence of her crown colonies but also the security of communications, together with provisioning requirements, throughout the Empire.

### Commercial Credits May Be Denied by U. S. to Defaulting Nations

Seven European nations defaulted Dec. 16 on payment of war debts to the U.S.—the same as on previous occasions. Finland, as previously, was the only nation to pay—$230,000, out of a total of $956,414,000 due.

A permanent ban on all types of credit for nations in future wars was discussed this week throughout the United States as Europe's default on debts of the last war neared $1,000,000,000.

Already all the fifteen nations in default, including Italy, Great Britain and France, are debarred from longterm loans as long as they remain in default, but a strong movement is afoot in Congress and among powerful lobbies to widen the prohibition to include all commercial credits and to include any nation which engages in war.

Senator Arthur Vandenberg of Michigan, widely regarded as a possible Repulican presidential nominee, recently voiced the views of many when he asserted that loans and credits to the Allied Powers drew the United States into war on their side, and would do it again in future wars on the side to which the largest advances were made. "Money is the worst of all contraband since it commands everything else," he reminded his listeners, in urging that, if they wanted to keep neutral, they must forbid its export.

## Both Ethiopia and Italy Reject Anglo-French Peace Proposals

Both Ethiopia and Italy have rejected the Anglo-French proposals for the settlement of the dispute in North East Africa. The reaction to the proposals generally throughout the world has been unfavorable. The small nations feel that the larger nations in the League would be ready at any time to sacrifice them for their own benefit. A storm of indignation has arisen particularly in Norway. In Britain also much opposition has developed.

Italy's troop shipments to East Africa continued unabated Dec. 13 with the departure of the steamer *Sannio* from Naples. Fifty-two officers and 2,098 men were aboard when the vessel weighed anchor in the evening.

Italy is expected to accept the Anglo-French peace proposals as a basis of discussion, but would make reservations on the grounds that they are "inadequate." The proposed cession of Assab, in Eritrea, will be strongly contested by Italy.

An additional mobilization decree was promulgated on Dec. 16 by the Italian Government, calling under the colors all petty officers and soldiers of engineering troops, notably photo-electricians of the 1910 class, radio operators of the first semester of 1909 class and sanitary services of the 1910 class.

The newly-appointed Japanese Minister to Addis Ababa, Mr. Suzuki, sailed from Marseilles for Abyssinia, Dec. 14, via Djibouti, aboard the French liner *Marechal Joffre*.

### British Hold Air and Fleet Maneuvers at Singapore

The British Admiralty held its annual aviation and fleet maneuvers in Singapore, Dec. 16-19.

### Small Export of Munitions from U.S.

Thirty American manufactures of munitions during the period from October 10 to November 30 exported only $1,333,156 worth of licensed commodities, the Department of State reported in Washington, Dec. 15. Of the amount exported, $1,014,547 represented shipments of civil aircraft and most of the remainder consisted of civil fire-arms.

## Constitution Is Restored to Egypt

Following the establishment of a "United Front" party by the Wafds (Nationalists) and Liberals, the Egyptian Cabinet Dec. 12 decided to restore the Parliamentary Constitution of 1923 forthwith. This Constitution, which was withdrawn in 1930, provides for a Senate composed of 100 members, 60 of whom are to be appointed by the King and the other 40 elected, and a Chamber of Deputies composed of 150 elected members. The United Front has decided to accept the treaty negotiated in London in 1930, which was later rejected. The main points of this treaty provide, among other things, for an independent Egypt, which will thus be qualified to join the League of Nations, and British responsibility for the defense of Egypt. It also provides for the removal of British troops from Cairo to the Suez Canal Zone.

The United Front Party, which comprises leaders of all parties with the exception of the extreme "Watanists" and the establishment of which lead to the Egyptian Cabinet's decision, Dec. 12, sent a letter to the British Residency accepting the treaty negotiated in London in 1930, but which had later been rejected. It is understood that the leaders of the United Front Party, in their letter to the British Residency, declared that, if they were assured of Great Britain's good faith concerning the treaty negotiated in London in 1930, they were prepared to agree to the postponement of its operation until the present international crisis had passed.

Far from being calmed, however, by the announcement that the British Government would consent to the restoration of the Constitution, the student and nationalist riots, which have flared intermittently for the past few weeks in Cairo, again reached a fever pitch on the night of the Dec. 12 as a wave of enthusiasm swept over the city. Early in the morning, a column of 4,000 inhabitants surged through the streets shouting and acclaiming King Fuad, hissing Great Britain, and demanding complete independence. Demonstrations of patriotism soon degenerated into rioting as lamp posts were uprooted and street cars smashed along the path of march.

Street demonstrations broke out anew in Cairo, Dec. 15 when students and workmen, parading in the thoroughfares of the European quarter, displayed the national flag and cheered continuously.

## "International Banditry in the Far East" Flayed by Senator Pittman

Senator Pittman, Chairman of the Foreign Relations Committee, in a speech at Reno, Dec. 9, prophesied a crisis in Japan-American relations and urged the need of co-operation between America and Britain. He warned his audience against the gathering danger in the Pacific. He declared that the time will surely come when the Americans will have cause to be alarmed about American rights and interests in the Pacific. The more territory Japan gains, the narrower will the market for American goods become. China will cease to be a market for American goods when that country has fallen into Japan's possession. It is up to the Americans to consider deeply such a contingency before it is too late. No single Power can restrain Japan, he continued. If Britain attempts to use her naval force to blockade Japan, it will end by her ships being sunk by the Japanese navy. The combined force of the British and American fleets alone can talk to Japan with authority, he said.

Senator Pittman further remarked that international bandits sometimes dictate to the Government of a country which is found to be as powerless as the police of a local town before a big band of invading bandits. These bandits will ultimately be driven away, however, by civilized influences, law and order, he added.

Senator Pittman's remarks brought forth the following comment from the *Osaka Mainichi*: "If America had a few more senators like Pittman, we'd have to be asking for naval superiority intead of equality."

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## Abyssinia Resists—Why Not China?

The Editor, *The China Weekly Review*:—

Abyssinia has resisted and is certainly going to resist to the last man. What is our China going to do? Is she willing to go on giving up province after province? We are being advised that we should save the nation with our head and not with our heart. The Chinese wisdom is a product of Four Thousand Winters. What a pride! Whether we should use our wisdom or our sentiment is a question. Nevertheless, it is well to remember that the French saved themselves from the hands of the Kaiser during the Great War with more sentiment than wisdom. Similarly the Americans established their independence with a strong sense of sentiment—the sense of liberty.

China, as far I am aware, is the first nation in history to "offer" up land and population without a single effort at resistance, on the part of the nation. There has been the moral resistance from the students and a part of the intelligentsia of the country, but their movements are very provincial in nature. The ruling class, as I am aware, is too diplomatic and sees too far, while the ignorant country folk and the illiterate laborers do not recognize the imminent danger to the country. Their patriotism must be aroused. However, as I feel that the Chinese national spirit is not yet dead. It is only temporarily kept dormant by the "Non-Resistance Policy."

Today, signs of awakening are to be seen everywhere. They have not come from the officials of Nanking or the "oily" merchants of Shanghai, but from the students. In spite of their "five minutes enthusiasm," which has been hitherto attached on them, the students still lead. They realize that they are the men of the future. President Lin and General Chiang will in due course disappear from the scene. It is the students today that will rule the future. What then will they find? They have to pay for a dead horse that they never rode. Under these considerations we can readily see why the students "kick up" such a shindy from time to time. The students' movements have just started and will soon find echoes in all parts of the country. It should be the sincere wish of every student to see that our government, adopts a more popular policy and stands by the people instead of by the officials.

KONG YU-LEONG (江有龍)

Shanghai, December 14, 1935.

## League Publishes Dr. Robert Haas' Report on China in Brochure Form

The report made by the late Robert Haas, secretary of the Council Committee on Technical Cooperation Between the League of Nations and China, on his investigations in this country early this year has been printed as a League document.

The following are extracts from the report:—

"Chinese reconstruction has its pioneers. No efforts are being spared to procure for their endeavors, in the widest spheres of public opinion and even among the masses, that atmosphere of comprehension and sympathy which alone could guarantee success. Posters are put up in the country districts by official and unofficial organizations with the inscription: To preserve our national independence we must reconstruct our country.

"There is no reason to suppose, indeed, that the Chinese peasant masses, to whose feeling and needs the economic institutions and technical creations of the new China must in the last resort respond if they are to survive, have acquired an unyielding hostility to change in the course of centuries of a stable and rigid civilization, long adapted to their material conditions of life.

"In a country of the size of China, some of whose provinces are as large as European states, and where only recently the distances were (and still are to some extent) increased by the lack of modern means of communication, the provincial authorities must be in many cases the real centers of direct action and experiment. Nevertheless, the fundamental unity of China, its quasi-biological cohesion—the equivalent in its own way of a collective training, although difficult to express in terms of Western public laws—enables Chinese reconstruction to proceed smoothly notwithstanding the existing differences in regional and local conditions and the inevitable dispersion of efforts."

## Nanking Guarantees Protection for the Freedom of the Press

In accordance with the resolution of the First Plenary Session of the Central Executive Committee of the Kuomintang to give full protection for the freedom of the press, the National Government in an order Dec. 11 to all the Provincial and Municipal Governments ordered that no office shall henceforth interfere with the activities of the press, but instead should give it appropriate protection.

## Peiping Students Stage Demonstration Against Autonomy Move

Opposing any attempt to establish any "autonomous government" in North China, more than 4000 students in Peiping made a demonstration on December 9. They walked out from their campuses and schools, and proceeded in long parade, defying armed policemen and gendarmes. Minor clashes occurred at Morrison Street and the Kao Liang Bridge, resulting in the injury of several students and the arrest of about 20 students of the Northeastern University. On the next and following days, a "peace strike" was launched in the many universities and schools, "until the following demands would be complied with":

> "That the students arrested in the demonstration be released immediately; that the medical care fee of the injured demonstrators be compensated by the Peiping Municipal Government; that the policemen responsible for the injuring of the demonstrators be consistently punished; and that any special political organization in North China be not set up.

The staging of the demonstration followed a motion passed by the newly-founded Peiping Students' Association, which had been initiated by the student bodies of two middle schools, and included the student bodies of Yenching and Tsinghua Universities. According to the Association's plan, the demonstrators were to assemble as destination in front of the Hsin Hua Men, where they attempted to see General Ho Ying-chin, who had recently been called up to deal with the situation. The closing of the city-gates, however, compelled the demonstrators to be divided into two groups. One group of about 1000 students, mostly from Yenching and Tsinghua Universities, demonstrated outside the city, while the other paraded inside.

Early in the morning, when the weather was bitterly cold, Yenching and Tsinghau students started from their respective campuses, situated about five miles to the west of Peiping, and proceeded on foot to the city, for the bus-services were suspended under police orders. After having failed several times to halt the progress of the parade, the police reinforced their strength on the Kao Liang Bridge where an army of Sung T'ai-tsung had ever fought fiercely against Chi Tang, a Manchurian race. But the students broke asunder their array and rushed forward to the gate where they stubbornly waited, returning at four in the afternoon.

On the other hand, several hundred students from other universities, colleges, and middle schools inside the city gathered in front of the Hsin Hua Men, shouting anti-"autonomy" slogans and waving banners bearing similar sentiments. Hou Cheng, secretary to General Ho Ying-chin, suggested to them that as Gen. Ho had gone to the Tangshan Hot Spring, he wolud transmit the sentiments of the students to him. The students, however, did not agree. It was later confirmed that General Ho was actually still staying in the city. They paraded throughout the city, stopping at many schools and universities calling for more students to join the demonstration, until the number increased to two thousand. Entering Morrison Street the enthusiasm of the demonstrators were dampened by fire hoses, maneuvered by the police. Clashes occurred when the leaders tried to seize the fire hoses resulting in the injury of several students, among whom was a girl student, who was thrust in her breats with a bayonet by a policeman.

Prior to the demonstration, the student bodies of National Peking and Tsinghua Universities, following the lead of their respective deans and chancellors, had previously issued statements, repudiating the suggestion that the camouflaged autonomous movement had popular support. A joint declaration among the many students bodies, initiated by the Yenching student body, resolved on four points: "That we are resolutely opposed to the so-called 'anti-communist self-governing' and call for the punishment of Yin Ju-keng; that we call for the Central Government to make public its foreign policy; that we call for the Central Government to mobilize the whole nation to resist our enemy; and that we claim the liberty of the press and the holding of meetings." W.C.J.

## Students in South China Agitate Against Japanese

*(By cable from the Review's South China Correspondent)*

CANTON, December 16.—Despite the verbal protest of the Japanese Consul-General here to the Municipal Government, the student movement continues to develop in intensity with cries for the revival of anti-Japanese agitation, including the anti-Japanese boycott, loudly voiced. Thirty senior colleges have joined students from Chungshan University in their demonstrations and held a large mass-meeting yesterday.

The assurance and cautions of the officials have not prevented students from organizing a picket corps whose intention it is to visit all Chinese shops and to seize Japanese goods.

The Chinese officials here are obviously worried, fearing international complications. Consequently, General Chen Chi-tang has summoned Chunshan professors personnally instructing them to cease the boycott agitation and to advise the students to discontinue their one-week strike.

On December 12, 2,000 students, led by Chang Nung, dean of Agriculture, and other faculty members from Chungshan University, held a militant demonstration and street parade in which huge flamboyant banners were carried. Handbills were distributed everywhere protesting the Japanese-engineered autonomy moves in North China. Chinese teachers educated in Japan participated in the demonstration as the chief organizers. The demonstrators wired to Nanking demanding the release of 27 students held in Peiping, the suppression of the autonomists in North China, the restoration of the freedom of speech, freedom of assembly, and freedom of publication, and the cessation of the negotiation of secret treaties with Japan.

## Students in Shanghai, Peiping and Tientsin Protest Against "Autonomous" Government

A meeting of students in which all local universities and colleges were represented was held in Shanghai Dec. 15 when a resolution was unanmiously adopted to oppose the formation of any semblance of an autonomous regime in North China and to advocate that the severest of punishment be meted out to Yin Ju-keng and other "autonomist" ringleaders in the North. It was, however, agreed that this stand of the students should be presented to the government and public through legitimate channels without recourse to class strikes or indignation demonstrations, which have been frowned upon by both school and Chinese government authorities.

Students of the Peiping Normal University Dec. 15 sent a lengthy telegram to the Governments and peoples of all nations voicing strong opposition to the so-called autonomy movement in North China. The Tientsin Students' Association issued a declaration on the samedate in support of the demands made by the Peiping students.

## Shanghai "Nippo" Blames American Influence for Student Movement in China

Commenting on the wide-spread movement of students and cultural organizations in Peiping, Canton, and Shanghai, against autonomy and against Japan, the *Shanghai Nippo* alleges that, behind the scenes of the student movement, which is gaining strength throughout the country, someone is pulling the wires. "For instance," the paper continues, "the bulk of students who engaged in the recent demonstrations in Peiping against autonomy, were students of missionary schools. Moreover, the student movement has been carried out under the leadership of professors who are graduates of American universities. It is almost indisputable that the students are only the prey of propaganda by the politicians, including Chang Ya-kwang, one of the leaders of Peiping People's Anti-Japanese League, and Hsia Chang-kwang, a representative of the anti-Japanese Volunteers in the North East, both of whom went from the North to Canton via Shanghai." The paper further argues that since at present the students are still the leading representatives of Chinese intellectuals, just as they were ten years ago, this is vivid proof that the cultural development of China has lagged.

### "Sin Wen Pao" Denounces Interference With Students

In an editorial Dec. 13 the *Sin Wen Pao*, leading Chinese daily journal in Shanghai, in strong words denounced the actions of the Chinese authorities in North China in arresting students who participated in the demonstration on December 9 and in taking special precautions, such as guarding Peiping school entrances with soldiers.

"What crime have the students of Peiping committed, that they deserve detention? Is their patriotic movement a crime? How is it that with the exception of the students in Peiping, there are no patriotic citizens in China? How is it that the authorities use the soldiers to prevent the students carrying out any patriotic movement instead of fighting against the aggressors?" the paper queried.

## Shanghai "Nippo" Discusses Chinese Patriotism

Challenging the often-repeated argument that because they lack patriotism the Chinese cannot be said to form a nation, the *Shanghai Nippo* in an editorial yesterday declared that the people's racial consciousness and patriotism cannot be adequately expressed at present because of defects in the state's structure.

"It is unreasonable to say that racial consciousness cannot exist independently of patriotism. For instance, the Jews are well unified without having a state of their own, which, however, they are now actively striving to create. Therefore one cannot say that the Jews lack patriotism. The same holds true for the Chinese," the daily asserted.

Reviewing what it describes as the "defects of China," the *Nippo* cited the weakness of the Nanking Government. "If the government stands on a firm basis, the nation will naturally obey it. If the nation is well unified, the people will easily realize their position," the journal remarked.

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## Townsend Pension Plan Will Loom Large in Presidential Elections

Dr. Frederick E. Townsend, founder of the old-age pension movement bearing his name, announced Dec. 14 that he was in a position to dictate to both the Republican and Democratic parties in the 1936 elections. He predicted that an old-age pension party would control the Government after the next election. Membership of the Townsend Clubs in all parts of the country is growing rapidly. Dr. Townsend predicted that the Townsend followers would elect a President and a majority of members of Congress on a third-party ticket.

### Socialist-Communist Debate Arouses Huge Interest in New York

The intense interest which the American public is taking in social and political matters was reflected in New York Nov. 27 when twenty thousand noisy radicals crowded Madison Square Garden to hear a debate between Norman Thomas, Socialist candidate for the Presidency in 1932, and Earl Browder, Communist leader. The debate was on the subject "Which road for American workers?—Socialist or Communist." The speakers agreed that Fascism and war threaten the "very life of Americans in the not distant future." Mr. Thomas, however, declared that "dictatorship of the proletariat does not mean a workers' democracy; it means the dictatorship of one party and of the bureaucracy in that party. It has meant ruthless and unnecessary sacrifice of individual civil liberties to the worship of the mass." Mr. Browder argued the benefits of such a dictatorship. "We say that Socialism can come only through the proletarian dictatorship and the establishment of Soviet power," he declared, "which alone will give genuine democracy to the overwhelming majority of the toilers."

### Split Occurs in U. S. Socialist Policy

Members of the Socialist Party of New York City split into right and left wing groups Dec. 4 as a result of an acrimonious clash on party policy. The left wing faction, headed by Norman Thomas, withdrew from the city central committee and established its own headquarters.

### "Straw Votes" Are "Just Hay"—Postmaster General Farley

James A. Farley, Postmaster-General and chairman of the Democratic National Committee, expressed his utter disdain for the results of "straw" votes such as that now being conducted by the *Literary Digest*. Such votes, he declared, were "just hay." He predicted that President Roosevelt, in the 1936 election, would carry as many states as he did in 1932, despite the indication in the *Digest* poll of a marked swing away from the Roosevelt policies.

### New U. S. Securities Issue Raises Debt of the United States to 30½ Billion Dollars

An issue of $900,000,000 securities offering by the United States Treasury Dec. 2 was heavily over-subscribed. Swamped with subscriptions, the Treasury closed its books on the offering a few hours after the opening. The operation increased at the national debt to an all time high of $30,500,000,000.

## American Community in Shanghai Honors E. S. Cunningham

The American Community dinner at the American Club in Shanghai Dec. 12, given as a farewell to E. S. Cunningham, U. S. Consul General in Shanghai for 16 years, was attended by 250 guests. Addresses were made by Stirling Fessenden, Secretary General of the Shanghai Municipal Council, Judge Milton J. Helmick, of the U. S. Court for China, Dr. Esson M. Gale, Dr. Anne Walter Fearn, Cornell S. Franklin and Dr. Charles E. Patton. A feature of the evening was the reading of telegrams wishing Mr. Cunningham well in his retirement, notably among them being messages from President Franklin D. Roosevelt, Cordell Hull, U.S. Secretary of State, and Ambassador Nelson T. Johnson. Mr. Cunningham as the grest of honor, in replying, gave a brief resume of events during the sixteen years he served here.

A farewell dinner was given to U. S. Consul-General Edwin S. Cunningham by the members of the Shanghai Municipal Council at the Cathay Hotel Dec. 16. H. E. Arnhold, the Chairman, presided.

Major and Mrs. Arthur Bassett were hosts at a farewell dinner party December 14 for U.S. Consul-General Edwin S. Cunningham.

Mr. Cunningham will sail for the United States on the Dollar liner *President Lincoln* Dec. 21.

## Japanese to Raid Korean Hide-outs in Shanghai

In an effort to forestall the alleged plans of Korean radicals to sponsor an anti-Japanese movement here, in connection with the events in North China, Japanese police officials in Shanghai have decided to carry out wholesale raids of local Korean "red hide-outs". Most of the Korean revolutionaries, according to the *Shanghai Nippo*, live in the French Concession.

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The Commission on Aeronautical Affairs, Central Bank of China, Central Aviation School, Naval Air Establishment, Chiao-Tung University and the National Central University for their patronage during the year 1935 and extend to these organizations Season's Greetings for 1936.

## Chinese Army Planes Rescue Priests from Communists

Brief but dramatic details concerning the rescue of 10 Spanish Franciscans from the town of Yenan, in Shensi, which has been under siege by a force of Communists for the past five months, were recounted in a telegram received in Peiping, Dec. 12 by the Apostolic Delegation to China. The Franciscans, headed by Bishop Ibanez, were removed from Yenan by air after attempts to break through the Red cordon surrounding the town had failed. Their rescue was effected by airplanes belonging to the Chinese Army. The missionaries are now at Tungchow, near Tungkuan.

### Fritz Horn Returns After Investigating Eurasia Wreck

Fritz Horn, technical manager of the Eurasia Aviation Corporation, returned to Shanghai this week after investigating the wreck of the plane which crashed in the vicinity of Pingliang, Kansu, November 29, when two passengers were injured and the German pilot and mechanic were killed. The injured passengers have in the meantime recovered. The remains of the pilot and mechanic are being brought to Shanghai and will be sent to Germany.

### Yen 130,000 Japanese Plane Burnt in Antung Fire

A passenger airplane, recently purchased from England by the Japan Air Transport Company at a cost of 130,000 yen, was completely destroyed by fire at noon at the New Wiju airdrome near Antung Dec. 12. The pilot and two machinists, the only occupants of the machine, sustained slight injuries.

### "Philippines Clipper" Arrives at Manila

Completing its first trans-Pacific air-mail flight from San Francisco, the *Philippines Clipper* landed in Manila, Dec. 16 at 3.49 p.m. The giant four-motored craft took off from Guam at 6.52 o'clock the same morning and made the last lap of the westward trip in record time.

### British-U.S. Trans-Atlantic Services to Start in 1937

Plans to begin a regular trans-trans-Atlantic air service between Great Britain and the United States by the summer of 1937 were announced in Washington, Dec. 12, by Walton Moore, Assistant Secretary of State, following a conference held by British and American air-line representatives.

### New German Zeppelin to Go into Trans-Atlantic Service in Near Future

The new German Zeppelin "LZ. 129" will be ready by the end of the year. The new airship is intended mainly for service to South America, but several journeys to the United States have been planned to study meteorological conditions. The German Zeppelin will make use of the Marine Airship Hangar in Lakehurst in its flights to North America.

### Netherlands Syndicate to Put Zeppelin in Trans-Atlantic Service

A Netherlands airship syndicate of the Netherlands Steamship Co., Lloyds of Rotterdam and a group of Netherland financiers, has succeeded in raising the necessary capital to start a long-planned airship station. Negotiations with the German Zeppelin Works in Friedrichshafen have already reached an advanced stage and it is very probable that the syndicate will have another airship built of the type "DLZ 129" with which to start a regular service to North and South America.

### Soviet Air Clubs Train 18,000 Parachutists in 1935

The Central Council of "Ossoaviakhim" of the USSR, in a summary showing results of the summer season in parachute sports, states that during the summer of 1935 air clubs of the Soviet Union trained over 18 thousand parachutists. During this winter, for the first time Moscow air clubs will arrange military parachute games.

### Soviet Air Lines in Far North Cover Huge Distances

The air expedition of the Moscow Aerographical Institute has completed its work on the Khabarovsk-Nogayeva-Chukotka section. The expedition covered 17,500 kilometers in the air and thoroughly explored the route flown by the Heroes of the Soviet Union, Kamanin, Molokov and Vodopianov. The topographical, geographical and other scientific research work conducted by the expedition, according to *Tass*, constitutes a most valuable contribution to the science of the north.

### Japanese Build Airdrome at Miyung

Under the watchful eyes of 20 Japanese soldiers several hundred Chinese laborers are being compelled to build a Japanese airdrome at Miyung, according to a telephone message received in Peiping Dec. 16. Another group of 30 Japanese soldiers is installing military telephone lines between Miyung and Kupeikow.

### Contract for 100 Combat Planes Given by U. S. Army

The U. S. War Department Dec. 17 awarded the Northrop Aircraft Corporation a $2,560,074 contract for 100 combat planes, with a speed of 250 m.p.h., to carry 5 machine-guns, 20 small bombs and 4 large bombs.

## Support for Japanese "Self-Defense" Settlers in Manchuria

Promoted by a number of influential persons in the Kyoto-Osaka-Kobe district, an organization for the support of Japanese "self-defense" settlers in Manchuria, called the Manchuria Immigration Association, has recently been established. The promoters include Dr. Hashimoto, of Koyto Imperial University Drs. Sata and Takayanagi, and Messrs. Iwai, Nishimatsu, Ito, Shimoda and Iijima.

Dr. Hashimoto, who inspected conditions among the Japanese settlers in Manchuria, was strongly struck by the unfavorable circumstances in which Japanese "self-defence" settlers are working, and also by the valuable contribution they are making towards the progress of agriculture and local economic development. Recognizing the necessity of giving them practical sympathy and support, he broached the idea to his friends, culminating in the establishment of the new Association.

To start with the new Association will put up Yen 15,000, of which Yen 1,000 will be given towards the expense of rebuilding the medical office at Chiamuszu which was recently destroyed by fire, while the remaining Yen 14,000 will be defrayed as a subsidy for the Harbin branch of the Japan National High School towards the cost of colonial training.

### Japan-Manchukuo Postal Treaty to Be Signed December 27

The Japanese-Manchukuo postal treaty, first step in the relinquishment of Japanese extraterritorial rights in the Empire will be signed in Hsinking Dec. 26, by Gen. Jiro Minami, Japaese Ambassador to Hsinking and concurrently Commander-in-chief of the Kwantung Army, and Chang Yen-ching, Manchukuo's foreign minister. The agreement will come into force on Jan. 26.

### "Small Money" to Be Abolished in Dairen

Circulation of silver subsidiary coins, commonly referred to as "small money," will be banned in the Kwantung Leased Territory effective April 1, 1936, the director of the Kwantung Bureau announced in Dairen Dec. 14. Holders of such coins on April 1 will be reimbursed by the government at a "reasonable rate," the announcement added. Bank of Chosen notes and subsidiary coins will be the only legal tender after that date.

## U.S.S.R. Invested 115 Milliards of Roubles in Five Year Plans

Speaking before the Conference on Questions of Building Industry at the Central Committee of the Communist Party, in Moscow, Dec. 15, M. Meilauk, Chairman of the State Planning Commission pointed out that during the First and Second Five Year Plans of the U.S.S.R., 115 milliard roubles have been invested in new constructions whereby hundreds of large enterprises, thousands of middle and scores of thousands of small enterprises were built. Investments for construction works in 1936 will amount to 32 milliard roubles, which will be twice as much as that of 1933. The rate of increase of capital investments for municipal housing and hospital construction was the quickest and appropriations for school building will increase four times.

### Soviet Industrial Production in 1935 Shows Advance Over Previous Year

*Tass* states that the value of the production of industry in the USSR during the eleven months of 1935 amounted to 35,894 million roubles, 23 percent more than during the corresponding period in 1934.—Production in heavy industry advanced about 26 percent, light industry-over 10 percent, the food industry 24.7 percent.

### Second Track for Trans-Siberian Railway

The laying of the second track of the Trans-Siberian Railway will shortly be completed, it was announced in Moscow this week following a report from Vladivostok. The bridges for the second track are at present being built. These have an aggregate length of 25 kilometres.

### Soviets Double Output of Gold

Moscow *Pravda* Dec. 11 published an interview with the Chief of the Gold and Platinum Administration, M. Serebrovsky, who stated that during the past two years, the output of gold in Russia has doubled and that the U.S.S.R. now ranks second in world output. M. Serebrovsky is leaving for London, heading a group of Soviet specialists, and from there will depart for South Africa to study methods of work and industry.

Large gold bearing regions have been discovered between Bodaibo and the northern shore of Lake Baikal. A considerable number of streams were found to contain large amounts of gold.

A huge gold nugget was found in the Ural gold fields Dec. 16. It is stated to weigh 464 ounces.

### Spy Sentenced to Death in Leningrad

A death sentence was meted out Dec. 15 by the Leningrad Court Martial upon a Soviet citizen by the name of Vonsovski, charged with having furnished information on U.S.S.R.'s national defenses to a foreign consul in said city. The sentenced spy was before the Revolution a member of an ultra-monarchist association of Russian students, it was learned during the trial.


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Equally good for men and women of all ages, the tonic properties of Dr. Williams' Pink Pills are of great benefit to chidren in their 'teens who are not thriving as they should. Dr. Williams' Pink Pills are obtainable from chemists everywhere.

# Foreign Trade Bureau Head Issues Eight-Point Program

AN eight-point program has been worked out by Ho Ping-hsien, Director of the Foreign Trade Bureau, for the promotion of China's foreign trade. The program calls for the standardization of commodities, reduction of their cost, close cooperation between the exporters, investigation of trade conditions abroad, establishment of financial agents in leading foreign cities, opening of ocean navigation routes, improved publicity in foreign lands, and development of direct trade relations. The standardization of commodities, Mr. Ho explains, aims at heightening their quality and discouraging the export of inferior goods. The maintenance of a high quality level will, in the opinion of Mr. Ho, increase the prestige of Chinese goods in the foreign market. Lack of cooperation between the Chinese exporters, Mr. Ho points out, has always been a great impediment to the development of China's foreign trade. To remedy the situation they must be better organized. They should study together the improvement of the quality of their exports, fix unified prices and cooperate in the sale and distribution in foreign markets.

### Chekiang Raises Loan to Improve Silkworms

A loan of $200,000 for production of improved silkworm eggs in Chekiang province during the coming spring was concluded by the Provincial Department of Reconstruction with the Bank of China and the Bank of Communications. Dec. 4.

The Foochow Silk Merchants Guild has despatched a telegram to the Ministry of Finance, requesting that a sum of one million be granted to the Foochow Chamber of Commerce so that loan facilities may be provided in order to tide over the financial difficulties of silk merchants during the forthcoming settlement period.

The Ministry of Finance has turned down the petition of the Greater Shanghai Chamber of Commerce for reduction of the import duty on rayon (artificial silk) and increase of that on rayon piece-goods. The Ministry pointed out that the present import duty on rayon is 118% *ad valorem*, not 250% *ad valorem* as erroneously alleged by the Chamber in its petition. Moreover, the duty on rayon piece-goods is 180% *ad valorem* and is already considerably higher than that on rayon. It is therefore unnecessary to revise the tariff at the present time.

The Ministry of Finance, in a petition to the Executive Yuan, urges that the Provincial and Municipal authorities be instructed to take appropriate action for the suppression of the secret manufacture of hand-rolled tobacco (cigarettes). The Ministry points out that the illicit traffic is detrimental to the tax-collection of the Government.

Rich deposits of wolfram ore have been discovered in the Fuzsu Shan (Mountain), in Hingkuo, southern Kiangsi. The Provincial Wolfram Control Bureau is making arrangements to work the new mines.

With a view to developing the mineral resources in the vicinity of Meng Shan (mountain), southern Shantung, the Shantung Provincial Department of Reconstruction is arranging to build a highway linking up the districts of Feihsien and Mengyin and one between Laiwu and Sintai. The length of the two roads totals more than 100 miles and the cost of construction is estimated at $1,300,000.

### Over 3,000 Miles of Highways in Kiangsi

Upwards of 3,000 miles of highways have been completed in Kiangsi province. Of the total mileage more than 2,000 miles are opened to long distance bus service. The monthly revenue from highway tolls amounts to $240,000.

The Szechuan-Hunan Inter-Provincial Highway now under construction will be completed in spring, a telegram from Chengtu states.

Heralding a new era in the development of highway communications in the province, six trunk routes in Kiangsi, connecting with neighboring provinces and covering a total distance of 11,400 li (about 4,000 miles) have now been opened to traffic. The six routes are the Kiangsi-Kwangtung, Kiangsi-Chekiang, Kiangsi-Fukien, Kiangsi-Hunan, Kiangsi-Hupeh and Kiangsi-Anhwei Highways. Pursuant to instructions from General Chiang Kai-shek, President of the Military Affairs Commission, the Hupeh Provincial government has ordered the Provincial Highway Bureau to have all national highways traversing Hupeh province completed within two months.

The Sino-French conference for the revision of the Convention relating to the operation of the Tonkin-Yunnanfu Railway and radio service along the Yunnan-Indo-China border was opened in Kunming (Yunnanfu), Dec. 2.

### Dr. Chu Is Confident of Success of Simple Life Plan

Dr. Chu Chia-hua, Minister of Communications, in an interview in Shanghai Dec. 9 expressed confidence that the new Simple Life Insurance policies issued by the Postal Remittances and Savings Bank will be widely accepted because of the simple procedure by which policies are obtained and also because of the

strong government backing. The Simple Life Insurance policies were issued on Dec. 2, in the postal districts in Nanking, Shanghai and Hankow, and, according to Dr. Chu, the system will be extended in March 1936 to all postal districts in Kiangsu, Chekiang, Anhwei Kiangsi, Hupeh and Hunan provinces. The new system was planned two years ago, Dr. Chu stated, and has been officially approved by the Government. Such simple life insurance policies are common in European countries, the Communications Minister declared, and the present system in China is being borrowed from abroad.

### S.-N. Railway Loan for November Paid

The Nanking-Shanghai Railway Administration Dec. 4 remitted $7,250, equivalent to $121,043.38, to the British and Chinese Corporation Ltd. in London for the repayment of the November installment of the railway loan.

### Whampoa to Be Developed as a Port

The Preparatory Office for the development of Whampoa as a Port commenced functioning Dec. 3. By order of Dr. Lo Wen-kan, former Minister of Foreign Affairs, who has been recently appointed Director of the Office, an engineering corps has proceeded to make surveys of the proposed harbor.

### Japanese "Manchuria-Mongolia Woollen Factory" in Tientsin Organized

To dominate the woollen market in North China, the newly organized "Manchuria-Mongolia Woollen Factory" in Tientsin will increase its capital to Yen 6,000,000. New branch offices of the factory will be established in Kalgan and other districts and new factories will be built in Tientsin to manufacture woollen goods.

## Yellow River Silt Buries Shantung Town Eight Feet Deep

The Yellow River flood situation it is still a vast problem for the Shantung authorities, and flood water is still pouring at a terriffc rate through the breaches made in the dykes some months ago. O. J. Todd, on his return from a tour of inspection of the flooded area, Dec. 13 reported that last week at Linpaochi he found the river high for the time of the year and discharging at the rate of 70,000 cubic feet a second through a break in the south dyke, this water flowing through a new channel which, when it passes the dyke, is well over 200 feet wide. Engineers at work in that region told him that their measurements showed that whereas two months ago 20 per cent of the flow was along the old channel of the river it has now decreased to only one per cent, a fact which makes the situation more critical than previously reported.

For two months past, the Shantung authorities have been sending in stone and other materials in an attempt to get the breach closed early next spring when the river is lowest. About half the material needed is now on the site near Linpaochi. Six thousand refugees are employed rebuilding dykes and making new ones, this work being in the nature of preparation for the main job of training the river back into its proper course. The heavy silt deposits are causing worry to the engineers in charge. One market town which the flood passed through is now buried in about eight feet of silt, in many cases only the roofs sticking up through the mud. Five feet of silt has hitherto been considered exceptionally heavy.

## American-Oriental Bank Depositors Receive Checks for 7½ Percent

During this week about 12,000 checks were mailed out by Frank L. Hough, liquidator, to depositors of the defunct American-Oriental Bank, representing seven and-a-half percent of their deposits (above fifty dollars). Deposits of fifty dollars or less were refunded several months ago. This 7½ percent dividend was paid out of collections amounting to more than $850,000, this sum having been collected by the liquidator since he took over the affairs of the bank almost seven months ago.

## $50,000 Worth of Rail Chits of Kuomintang Members Are Presented to Treasury

The Ministry of Railways has forwarded a bill for more than $50,000 to the National Treasury for services rendered members of the Central Executive and Supervisory Committees of the Kuomintang by the government lines during 1934. Under the National Government policy requiring all passengers to pay fares on government railways members of the C.E.C. and C.S.C. are given the privilege of signing chits payable at the National Treasury.

## Central Bank Audit Shows $166,515,629 Notes in Circulation

The audit of the issue department of the Central Bank of China made Dec. 14 showed dollar notes in circulation to a total of $150,925,999, which together with subsidiary coin notes of $15,589,630, made a total of $166,515,629, against which there were adequate cash and security reserves. Customs gold unit notes for C.G.U. 586,679.80 were in circulation, fully backed with the equivalent in gold bars.


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# THE GIST OF JAPANESE PRESS OPINION

The result of the naval parley now opened in London deserves keen attention of the Powers as destined to control the future tendency of the world intercourse. The only regret is that whereas the conference is for disarmament discussion, there is revealed not the slightest inclination among Powers towards disarmament.—*Osaka Mainichi.*

America and Britain seem still inclined to favor the old ratio principle in name or in fact, and show great hesitancy in recognizing the Japanese disarmament policy. Unless there is a decided modification made of the Anglo-American attitude, the disarmament parley will be a failure.—*Tokyo Miyako.*

If the fundamental aim of disarmament is to reduce popular burdens and to ensure permanent world peace, the parity principle should be upheld so that there could be no meance to any nation's security. The crux of the disarmament question. therefore, is whether America will recoginize this.—*Tokyo Nichi Nichi.*

With her Mediterranean supremacy menaced by the Italian aggressive policy, Britain is now prone to favor decided naval expansion, as is the United States. This cannot but render the prospects of the Disarmament Parley in London entirely hopeless. We hope Japan will take an astute course. —*Osaka Asahi.*

The unusual swelling of defence estimates is deemed generally inevitable under the prevailing circumstances of the world, whereas there is no suitable financial resource to meet the need. There is every reason to suppose that the Government will sooner or later have to resort to a general increase in taxation.—*Tokyo Kokumin.*

Anglo-American suspicion of Japan's activities behind the North China autonomy move is entirely groundless. Japan only wants maintenace of peace in North China since upon it depends much of the Manchou welfare. She has no territorial ambition in North China. This the Powers in general must know.—*Tokyo Chugai.*

We are well aware of the serious interest and concern American and Britain have in North China, but the velled threat or protest of the recent statement separately but simultaneously made by the Anglo-American Government spokesmen is based on prejudices about Japan's China policy. —*Tokyo Yomiuri.*

Roy Howard's pessimistic observation as to the future of the Philippine-Japanese intercourse is entirely groundless. He is frightened, as it appears, at the recent national advance of Japan, which is entirely peaceful. The best advice we can give him is to embrace another chance of studying Japan better.—*Tokyo Nichi Nichi.*

The arrest of the Ohmoto-kyo propagators for their alleged attempt to support the radicals as carried out the other day by the police authorities is a serious warning to the citizens at large against camouflaged religions, and adds a great deal to the necessity for enforcement of the religious control act now being drafted.—*Tokyo Yomiuri.*

The death rate in Japan which stands at 16 in every 10,000 people does not show the least sign of decrease contrary to the general tendency in foreign countries. This is certainly a serious question for the Government and people to note. Improvement of the situation must be sought by paying more attention to public health.—*Tokyo Nichi Nichi.*

It is quite a happy and timely plan that the Okada Ministry proposes celebration of the fiftieth anniversary of constitutional Cabinet system inauguration. It is true that the system has contributed infinitely to the national progress. The only regret is its latest tendency to be restrained by outside influence. —*Tokyo Hochi.*

In view of the repeated accidents that particularly concern the duty or responsibility of schoolmasters and police officers, there is a growing opinion advocating improvement of their treatment. Before we complain about the defaults of such public servants, we must certainly consider their living conditions.—*Tokyo Kokumin.*

## China Informally Protests to Germany on Reference to "Negroes and Chinese"

An informal protest by China has been made against passages in the book by the Reichsfuhrer, Herr Adolf Hitler, entitled "Mein Kampf." The Chinese Minister in Berlin, Gen. Liu Chung-chieh, during the week-end informally conversed with Herr Walter Funk, Secretary of State and deputy of Dr. Joseph Goebbels in the Ministry of Propaganda, drawing attention to certain passages in the book, including a reference to "negroes and Chinese" in the same phrase. He pointed out that such passages were considered objectionable by a large section of the Chinese people.

# Who's Who in China

姚澤生
Yao Tsu-sung (Yao Tse-shen)

Yao Tsu-sung, banker; born at Lu Lung, Hopei, 1888; graduate of the Chihi Law College; now Chairman of the Native Banks Association of Peiping; member of the Standing Committee of the Chamber of Commerce of Peiping Municipality; member of the Tientsin Branch of the Monetary Reserve Board; address: Chamber of Commerce, Peiping Municipality.

姚澤生，年四十七歲，河北盧龍縣人，直隸法政學校畢業，現任北平市錢業公會主席，北平市商會常務委員，發行準備管理委員會天津分會委員。

## Hongkong Ex-Governor Wants Close Co-operation with Canton

Hongkong is the most valuable British asset in China, and British policy in China ought, therefore, to be largely based on the needs of Hongkong, said Sir Cecil Clementi, former Governor of Hongkong, in a speech at a luncheon recently given by the Royal Empire Society.

He strongly criticized the Foreign Office, which in 1925, he stated, clung desperately to the illusion that Peiping somehow governed all China and forced Dr. Sun Yat-sen, who wished to be friends with Hongkong, into the arms of Russia, who embroiled Canton and Hongkong, culminating in a disastrous boycott and the loss of millions of money.

"I most earnestly hope," Sir Cecil Clementi proceeded, "that we take a warning from the past and do not again sacrifice Hongkong to illusion. Nature herself has dictated very close, intimate and friendly co-operation between Hongkong, Canton and the teeming millions of Kwangtung, who are very industrious, capable and peace-loving people."

The speaker laid stress on the need for a solution of three problems:

1.—The Kowloon-Canton and Canton-Hankow railways must be linked. Canton never can be a deep-sea port, and her railborne trade is definitely hampered by the denial of direct access to Hongkong. Similarly, airplanes from the interior of China must be allowed full use of the excellent airdrome in Kowloon.

2.—A Customs agreement is imperative, under which Hongkong would collect duties on goods destined for China.

3.—The future of the leased Kowloon New Territory must be decided. The uncertainty of the question is already impeding the progress of development.

"Either the New Territory must remain British in perpetuity," declared Sir Cecil, "or the Colony itself will have to be given back to China. I see no other solution."

## Netherlands Indies Trade with United States on Up Grade

Results of the United States-Philippine Islands trade conference to be held early next year may have an important bearing on future commercial relations between the U.S. and Netherlands India, the *U. P.* correspondent at Washington recently pointed out. Any move to discontinue or curtail the sheltered market now enjoyed by the Philippines in the continental United States would tend to create a commercial situation favoring Netherlands India, since the East Indies are potential suppliers of many commodities shipped from the Philippines. During the past three years, United States imports from Netherlands India have been increasing in value.

## In the United States Court for China

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|---|---|
| HARRY HUGO LINDER, Plaintiff, vs. FREDDA RUTH DICKEY LINDER, Defendant. | Cause No. 3993<br>Civil No. 1890<br>ORDER.<br>Filed at Shanghai, China, this 29th day of November 1935.<br>William T. Collins, Clerk.<br>L. T. Kenake, Asst. clerk. |

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS Plaintiff herein by his attorneys on the 27th day of November, 1935, made application for the substitution of publication for personal service of summons upon the Defendant herein; and

WHEREAS it appears from the files of this case that on the 29th day of November, 1935, the summons for the Defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 27th day of November, 1935, Harry Hugo Linder filed an affidavit to the effect that the Defendant herein was not residing in the Republic of China;

NOW, THEREFORE, it is this 29th day of November, 1935, ORDERED that service upon the Defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the Defendant.

IT IS FURTHER ORDERED that the Defendant cause her appearance to be entered herein or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 21st day of December, 1935, the day of the last publication of the Order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT.

MILTON J. HELMICK,
*Judge*,
United States Court for China.


## THE TANAKA MEMORIAL

Much debated secret document outlining Japan's imperial policy of conquest—supposedly presented to the Emperor of Japan by Premier Tanaka on July 25, 1927.

Although officially repudiated, Japan has nevertheless followed the Memorial's recommendations since 1931.

**Preparing for War with U. S. A.?**

The Tanaka Memorial should be read by all students of the Far Eastern Question. Send for a copy, the price is only 10-cents, with an additional 5-cents for postage.

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160 Avenue Edward VII
Shanghai.

# In the United States Court for China

HENRY FRANCIS PARKS, Plaintiff,
vs.
MARGARET ANNE PARKS, Defendant.

Cause No. 3996
Civil No. 1897
ORDER
Filed at Shanghai, China, December 4, 1935.
William T. Collins, Clerk.

ORDER

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorney, has this 4th day of December, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 4th day of December, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court;" and

WHEREAS, it appears from the files in this case that on the 4th day of December, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein since November, 1933, and that defendant's last known address was Chicago, Illinois.

NOW, THEREFORE, it is this 4th day of December, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, Shanghai, China—a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 21st day of December, 1935, the day of last publication of this order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
This 4th day of December, 1935.

MILTON J. HELMICK,
*Judge.*

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# Men and Events

The National Leprosarium on the Miao-Tao road, north of Shanghai, was formally opened Dec. 14.

Carl Crow, Inc., long established advertising agency in Shanghai, are distributing attractive calendar pads for 1936 to their patrons.

Mr. and Mrs. Robert E. Lewis were hosts at a tea in their Route Winling home in Shanghai Dec. 17, honoring Mme. Alfred Sze, wife of Dr. Sze, Ambassador to the United States.

Sir Andrew Caldecott, formerly Colonial Secretary for the Straits Settlement, was sworn in at Hongkong Dec. 11 at a ceremony held in the executive chamber of Government House.

The International Arts Theatre of Shanghai presented "Lysistrata" (modernized by George Seldes from the original by Aristophanes) to large audiences in the Capitol Theater Dec. 17-20.

Dr. William S. A. Pott, son of Dr. F. L. Hawks-Pott of Shanghai, was inaugurated as president of Elmira (N. Y.) College Oct. 26.

Christmas Note:—It is against the law in New York for any Santa Claus who appears in public to wear anything but fire-proof whiskers.

M. J. Harris, *Associated Press* correspondent in Shanghai, returned this week from a short bussiness trip in the United States. Mrs. Harris, who had preceded him to the United States, returned at the same time.

Shanghai's Japanese community has received financial assistance amounting to $9,357,950 from the "Rehabilitation Fund" of the Residents' Corporation during the last three years, the Shanghai *Mainichi* stated Dec. 16.

The recent cold spell claimed a heavy toll in Tientsin. Twelve beggars were found frozen to death Dec. 11 in the southern section of the native city. More than a hundred recent deaths in the capital are attributed to the cold weather.

A 14-year old Chinese schoolboy Ong Sih-sing, son of a well-to-do Chinese merchant in Shanghai, was kidnapped in Yulin Road Dec. 12 while on his way to school. He was carried away in a motor car. The same boy had been kidnapped and ransomed three years ago. The chauffeur of the car was killed.

Col. John C. Beaumont, commanding the Fourth Marines in Shanghai, has been promoted to Brigadier General; Major William Marshall has been promoted to Lieutenant Colonel. President Roosevelt approved the recommendations for promotion Dec. 12.

A telegram from Paris Dec. 13 stated that upon the arrival of M. Naggiar in China, appointed successor to the late M. Henri Wilden as French Minister to China, the French Legation in Peiping will be elevated to the rank of an embassy.

Cases of relief given ricsha coolies during November totaled 637, according to a report presented at the 25th meeting of the board of management of the Pullers' Mutual Aid Association, held last week at Association headquarters in Shanghai.

Ing Tang (Mrs. Tsufa) Lee has received a cable from New York's stage renowned Morris Gest asking her to play the part of Lady Precious Stream in the American production of Shih I. Hsiung's translation of this piquant Chinese drama.

Madame Alfred Sze, the wife of the Chinese Ambassador to the United States, was the guest of honor at dinner in the home of Mr. and Mrs. Tsuyee Pei Dec. 14.

A bomb explosion which occurred in Tientsin Dec. 17 in a vacant house in the Japanese Concession adjacent to the residence of General Tada, commander of the Japanese forces in North China, claimed the life of a Chinese worker and seriously injured two others.

Decision to collect rents in yen, instead of in Chinese dollars, was reached last week by the directors of the Daiko Land Credit Union, a Japanese cooperative concern with offices on Woosung Road. The officers of the firm have also decided to change its $600,000 capitalization into yen.

Changes have been made in the personnel of the British river gunboat *Tern*, at present at Kiukiang, following a court of inquiry into alleged lack of discipline aboard. Members of the crew who were involved are being sent to Hongkong for court-martial. They have been replaced by reliefs from the Colony.

Chinese New Year in 1936 will fall in January 24. General agreement that January 23, which is Lunar New Year eve, be fixed as the final settlement day for 1935 has been reached among the Chinese Bankers' Association, Native Bankers' Association and the Chamber of Commerce.

Joseph Clark Grew, U. S. Ambassador to Tokyo, passed through Shanghai last week, on his return from a long vacation in the United States. He made the trip from Europe on the German liner *Potsdam*. He was accompained on the trip to Japan by his wife—and his daughter and his son-in-law (Mr. and Mrs. Cecil B. Lyon), and grandchild. Mr. Lyon is third secretary at the U. S. Embassy in Peiping. Mr. and Mrs. Lyon and child (Alice Emily Lyon) are going on a holiday, making the trip also by the *Potsdam* to Europe.

Yin Tung, managing-director of the Peiping-Liaoning Railway Administration, arrived in Tsingtao from Tientsin Dec. 16. He stated that he would remain there for some time to recuperate his health. The railway director refused to predict the future of North China, besides saying that "all is quiet in Tientsin and Peiping at present."

An appeal has been made by Jabin Hsu, General Secretary of the National Child Welfare Association of China, to the members and supporters of the Association for funds for appropriate celebration of Christmas by the youngsters. In a circular Mr. Hsu pointed out that there are now about 404 children in the five demonstration centers of the Association at Shanghai.

Congratulations are in order to the China General Omnibus Co., Ltd., Shanghai, for issuing a map showing the various bus routes, together with other local information. Something of this sort has been a crying need for many years. The maps are issued free, as is the case with similar maps issued in London, New York and other large cities of the world by the transportation companies.

The American Government has requested the Chinese authorities to ship the Chinese art treasures now on display at the London Art Exhibition, to New York for the benefit of American connoisseurs. Arrangements for an exhibition of the art treasures in New York next year are now being made between the Chinese and American authorities.

The U. S. Navy transport *Henderson* departed from Shanghai Dec. 14 after having been here for ten days, having left Chinwangtao Dec. 4. The transport is carrying 60 Marines from the Embassy Guard at Peiping and 125 enlisted men from Shanghai whose term of enlistment has expired. The *Henderson* is bound for Norfolk, Virginia, *via* the southern route and the Panama Canal.

Despite suppression in eastern Fukien by the Government force the Communists activities in the district of Futin have increased. The third area of the district recently was invaded by the Communists under Hsien Tso-lin, and many local leaders were killed. One tenant who declined to obey instructions from the Communists to refuse payment of rent to the landlords, was killed, the *Fukien Min Pao* of Dec. 4 stated.

The two largest high pressure compressors ever built left the factory of Borsigwerke, near Berlin, last week for Japan to be shipped to Japan. They are destined to be placed in one of the largest ammonia works in the Far East. The Berlin firm received the order in face of strong foreign competition from countries with devalued currency. The measurements of the compressors are, 60 feet long and 30 feet broad; the total weight is 5400.

Dr. Wei Tao-min, former Minister of Justice, who has been visiting in Europe during the past few months, arrived in Shanghai from France Dec. 16. He was accompanied as far as Hongkong by Miss Soumay Tcheng. Miss Tcheng is expected to stay in Hongkong until Spring. Dr. Wei brought to Hongkong part of the luggage of Hu Han-min, who is expected to return to China shortly.

The annual banquet of the Shanghai Y's Men's Club will be held at the Park Hotel at 7 p.m., Dec. 28. The Club has elected the following officers for 1936:—Y. Lewis Mason, chairman; Dr. Peter Kingman Hsu, 1st Vice-Chairman; K. T. Kwo, 2nd Vice-Chairman; Wilfred S. B. Wong, Secretary; Dr. Jack Foy Wu, Treasurer; Samuel H. Chang, T. H. Peter Chao, Sarcey T. Chen, K. C. Chun and Sarkon Ou, members of the new Board of Directors.

Hearing that he would be demoted in rank, Lieutenant Chang Yueh-chieh, shot and killed Major-General Tung Pao-hui and injured three other officers of the Shanghai Peace Preservation Corps during a mah jongg game at Major-General Tung's house at 9 p.m. last Monday. Lieutenant Chang was cornered and caught while attempting to escape by the back door of the house and taken to the Peace Preservation Corps.

Dr. Joseph F. Rock, world-famous sinologue, botanist and explorer of Western China, arrived in Shanghai this week from Yunnanfu, coming by way of Hanoi, Haiphong and Hongkong. From here he proceeded to Peiping by plane and will pass through here again shortly on his way back to Western China. In an interview, referring to a disease which doctors say must prove fatal in several years, he philosophically said, "I've lived my life. The world is going to hell anyway. I really pity the younger generation . . . still it has been an interesting time to live. The 'good old days' won't come back and I am glad that I have lived in the 'good old days.'"

## Alexander Clark Co. Offers Gifts of Permanent Appeal

Among the numerous establishments carrying a large variety of articles eminently suitable for Christmas presents none excels in the appeal which it makes to a fastidious public the Alexander Clark Co., located in the Sassoon House, Shanghai. An advertisement in another column gives details of diamond, emerald and sapphire rings, "Rolex" and "Tavannes" watches, cigarette cases in many attractive designs, dressing cases, hair brushes, crystal glass, Dunhill pipes and lighters, etc. While Alexander Clark makes an appeal to the public in general the lines which it carries have a particular attraction for the elite and discriminating.

# In the United States Court for China

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| MARY ZAVELITCH, Plaintiff, vs. FREDERICK ZAVELITCH Defendant. | Cause No. 3997<br>Civil No. 1898<br>ORDER<br>Filed at Shanghai, China December 7th, 1935<br>William T. Collins, Clerk.<br>L. T. Kenake, Asst. clerk. |

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 6th day of December, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 7th day of December, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 6th day of December, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since December, 1932, and that defendant's last known address was 652 East 83rd Street, Los Angeles, California.

NOW, THEREFORE. it is this 7th day of December, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, Shanghai, China—a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 28th day of December, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 7th day of December, 1935.

MILTON J. HELMICK,
*Judge.*

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# In the United States Court for China

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|---|---|
| RUTH ANN HEDGES, Plaintiff, | Cause No. 4001 |
| | Civil No. 1902 |
| vs. | ORDER |
| ELDRIDGE D. HEDGES, | Filed at Shanghai, China, December 13th, 1935. |
| Defendant. | William T. Collins, Clerk. |

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 13th day of December, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 13th day of December, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 13th day of December, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein, and that defendant's last known address was c/o J. Walter Thompson Co., Shell Bldg., 13th & Locust St., St. Louis, Missouri.

NOW, THEREFORE, it is this 13th day of December, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, Shanghai, China—a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 4th day of January, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 13th day of December, 1935.

MILTON J. HELMICK,
*Judge.*

## Eight Trainloads of Japanese Troops Sent to North Manchuria

Eight special trainloads of Japanese troops which arrived at Dairen on several transports Dec. 18 were immediately dispatched North. Although it was stated that the troops are for the purpose of "policing North Manchuria," the dispatch of the troops coincided with an announcement issued by the Manchukuo Foreign Office calling attention to trespasses by Soviet and Outer Mongolian troops.

The announcement mentioned that "illegal trespassing of Manchukuo territory by Soviet and Outer Mongolian troops continued unabated, there being 12 instances in November and 255 since March, 1932."

## I. T. & T. Shows Greatly Increased Income

The net income of I. T. & T. Co. for the first 9 months of 1935 was G$3,397,823., as compared with G$2,508,678, for the same period last year.

# New Books of Interest in the Far East

### "Lawrence of Sinkiang?"

*Peaks and Plains of Central Asia, by Col. Reginald C. F. Schomberg. With Color Photographs by Capt. George Sheriff. 288 pp. 15s. net. Published by Martin Hopkinson, Ltd., London.*

Col. Schomberg's book on the province of Sinkiang is interesting as showing the variety of physical conditions, as well as of peoples, in this most westerly province of China, — a province in which serious disturbances in recent years have threatened at times the severance of the area from Chinese sovereignty. Col. Schomberg describes, in his book, two journeys, each starting from and returning to Kashgar near the Indian border, the first having been made from 1927 to 1929, and the second in 1930 and 1931. During the first journey the Sinkiang Governor was murdered and his prime minister executed, and at the time of the second journey Government forces were moving against Tungan rebels, so that the traveler had to move fast at times to keep out of the soldiers' way. The writer does not make clear, however, just what the disturbance was.

As regards description of the country and a general sketch of various of its peoples, the book is good. It is written simply as a narrative of the author's journeys, which covered most areas of the great province, now including some territory formerly a part of (Outer) Mongolia. The ground is shown by the chapter headings, Part I (the first journey) including: From Kashgar to Uch Turfan; Uch Turfan to Aqsu and Kucha; Kucha and Korla; The Cold Road to Urumchi; Turfan; Urumchi; Hami or Kumul; To Outer Mongolia—Manas; Chuguchak and Ili; Through the Tien Shan; To the Dry Mountains and Korla; To Kucha, Aqsu and Yarkand; Khotan; Kashgar and the Desert Shrine; Again to the North; Through the Tien Shan to Urumchi; the Bogdo Ola; The Tien Shan from North to South; Kere Bazaar to Kashgar. On the second journey (1930/31) Schomberg traveled east from Kashgar, passing to the south of the Taklamakan Desert and turning northward in the neighborhood of the Lob Nor, making a circuit in his return to Kashgar via Ili. The trip is described in the chapters: Kashgar and Khotan; Down the Khotan River; Sanju, Khotan and Keriya; to Niya and Lop; Northwards to Korla; the Yulduz; Back to Ili; Across the Tien Shan to Bai; Return to Kashgar. The book has some good maps, a useful glossary of Turki and other non-English words used in the text, and an index. There are several beautiful color photographs by Captain George Sherriff, and the Turki girl whose picture serves as frontispiece is an excellent advertisement for the province.

One thing that emerges from the book is the striking variety of physical conditions in this great province, ranging from dry, wind-swept deserts to warm, luxuriant areas in the southwest, and cold but almost equally luxuriant country to the North, with every intermediate variety, and with radically different conditions within a day's journey from the northern to the southern side of the Tien Shan, or from one little mountain range to another. Conditions may also alter from year to year, particularly owing to the case with which many of the Sinkiang streams change their course through the flat, sandy desert into which most of them finally disappear. In 1928 villagers to the northwest of the Lob Nor area were being forced to emigrate, with their flocks, owing to the failure of the water supply. They had endeavored to dam the river (the Yangi Darya) upon which they depended, so as to induce it to go back to its former course, but their local and small-scale engineering was ineffective. Fortunately, Sinkiang is not so densely over-populated as China "Proper," and there were sparsely populated areas to which they could migrate. Also, because of less pressure of population upon the means of subsistence, the villagers had an adequate margin upon which to subsist for several lean years, importing flour from Korla, though "they could not continue indefinitely watching their dried-up fields while they consumed their cattle and wondered if the water was ever coming."

Sinkiang, in a way, is an excellent example of the comfortable existence which is possible with a very simple economy—farming, herding, or both—in a country which is not over-populated and not too heavily plundered by tax-gatherers. In general, Schomberg's picture is one of communities with a sufficiency of food, clothing, and shelter (conditions varying mainly in accordance with the traditional standards and customs of the various peoples inhabiting the great province), though he describes (as a quite unusual phenomenon) one very poor old couple in this province "where, whatever there may be on a man's back, there is plenty in his belly." There was, however, a lack of such civilized amenities as medicine, and Schomberg refers to "the eternal wail of Central Asia—a demand for medicine," a typical complaint being that of the Sart with the terrible and intermittent stomach-ache: "Always after eating melons and peaches! Only five melons and seven pounds of peaches have I eaten today! Yet I ache and ache and ache! For God's sake, get the Sahib to

give me some medicine!" Finally, says Schomberg, "he left us sadly, with the warning to eat less—an impossible prescription for a Turki." Even beggars, it appears, ride donkey-back in Sinkiang—the primitive equivalents of America's "auto tramps." It is striking to note the contrast between mostly arid but sparsely populated Sinkiang, with its simple and mainly self-sufficient economy, and the fertile but terribly over-populated areas of East China, with foreign contacts and access to the manufactured products of the whole world, but the masses living most wretchedly, and intermittently facing famines which in some regions have become chronic.

Schomberg, however, does not dwell upon these things, and in fact evinces no deep interest either in economic conditions nor in political. In fact, it is not easy to see just what the traveler was really interested in, and what was the purpose of his journey. He was, frankly, "bored to tears" during much of the trip, long before the first journey was finished. And yet he carried on, and made further trips and investigations of many other boring and tiresome routes, some of them "as detestable as any place could be." The author may have some interest in archaeology, but he gives very little evidence of it in this book.

In general, Schomberg's reticence with regard to the objects of his journey, and with regard to politics in the province (to which he certainly could not have been wholly indifferent) is rather striking. The present reviewer has not previously seen any evidence for the Chinese reference to Schomberg as the "Lawrence of Sinkiang," but this book is certainly provocative of thoughts of this kind—though the parallel with Lawrence seems not well taken, as there is no recognizable similarity—in intellect, character, or personality—between the two men. But there is one striking albeit cryptic reference to a "yayeh" (officer of the Chinese yamen) who greatly oppressed the Kirghiz of the area between Uch Turfan and Kashgar. He "had a nasty way with the local gentry, whom he treated to streams of abuse. The Kirghiz grovelled and cringed beneath these these flowers of speech, and fed the brute with pilau and other luxuries. I am glad to say we were able to right matters before long." (P. 205.) He does not explain just how "we" righted matters—whether through some special influence of the British Consulate-General at Kashgar, or by the rebel regime which was set up in that area for a time by elements opposed to Chinese administration, and which for a while declared independence of China. This "we" is very intriguing.

Schomberg is equally cryptic in his remarks about conditions in Charkhlik, in the Lob Nor area, in May 1931: "A large garrison was on the way to that strategic place to repel an invasion of Tungans." There is, unfortunately, no elucidation whatsoever of this incident, Schomberg simply remarking that "the people of Charkhlik were clearing out while the going was good, and we thought their example worth following, and only stayed one night." Schomberg moved northward, wasting little time en route, as "it would not have been prudent to continue in the country or to extend our wanderings." They succeeded in keeping ahead of the soldiers, however, and finally reached Kashgar.

Schomberg's first visit to Urumchi (Tihwa) was in February 1928. He returned in September the same year, during which time "many political changes had taken place. . . . The Governor had been murdered, his prime minister executed, and a good deal of tension and unrest had ensued." Regarding this important event also, Schomberg gives no details. (Woodhead's "China Year Book," referring to the murder of Governor Yang Tseng-hsin, states that "the Chinese administration was, in point of fact, ruling the country on behalf of the U.S.S.R.")

As noted, however, Schomberg's book is simply description of a frequently boring and seemingly quite pointless journey. It is good description, and readers wishing a general idea of the great province where so much has happened in recent years will find the book of value. If Schomberg has played any part in events, he is most modest on the subject, evidently preferring to hide his light under a bushel—except for the intriguing "we" referred to above. In this book he is simply a traveler, making repeated trips through a tiresome country with no purpose whatever—not even amusement. It is rather a strange role for the colonel, with his long record of British military work in the Far East, including participation in expeditions to the Indo-Chinese frontier, the command of the Singapore Volunteers, the post of Inspector of Prisons in the Straits Settlements, etc. It is difficult to imagine that Col. Schomberg has completely lost interest in politics.

H. H.

## Shanghai "Mainichi" Warns Kuomintang Against Dependence on Western Nations

Continued dependence on the Powers of the West to embarrass Japan will lead China to the status of a colony the *Shanghai, Mainichi* said in an editorial headed "Dependence on European and American Powers and China's Future," Dec. 17. The daily cited the recent Anglo-French "peace plan" for the settlement of the Italo-Ethiopian dispute as "evidence" of the continued imperialistic attitude of the West. The formation of a "so-called national Cabinet" with Gen. Chiang Kai-shek at its head avowedly pledged to "sincere co-operation with Japan," was regarded with suspicion by the daily.


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# WHY NOT SEND A CHRISTMAS GIFT TO SHANTUNG?

A primary school on Jessfield Road, Shanghai, collected a sum of $80 for its annual Christmas celebration, but upon hearing the needs of the flooded areas its students unanimously agreed to turn the money over to the *China International Famine Relief Commission* for relief work.

As Christmas comes, many of us will want to again show our spirit of charity and goodwill. Some of us will sent Christmas cards to our relatives and friends, others will even buy more expensive presents for them. However, often times we give to those who do not really need our gifts. Is it not time for us to practice selective giving, and in this way help those who are actually in need? At present, several million flood refugees in Shantung and Northern Kiangsu are in desperate need of food, clothing and shelter. Wouldn't it be better to give our gifts to them? Our relatives and friends in Shanghai can get along without our Christmas presents, but the starving women and children in the flooded regions cannot.

Many people in Shanghai have already decided to divert to flood felief the money they originally intended for Christmas gifts. If you have not yet done so, will you please fill out the blank below and send your remittance to the Shanghai Office of the C.I.F.R. C. at 505 Honan Road? Sending your gift to Shantung means selective giving.

---

To Income Production Dept.
C. I. F. R. C.,
505 Honan Road, Shanghai.

Desiring to have a share in helping the hundreds of thousands of flood victims this year I hereby enclose a check or postal money order as my contribution towards the 1935 Kiang-Ho Flood Relief Fund, for which plase issue a formal receipt.

*Signed* .....

*Address* .....

.....

## Noted Chinese Economist Sees Redistribution of Wealth as Result of Finance Policy

Three major effects upon China's economic conditions during the transitional period after the adoption of the managed currency policy and before the establishment of the subsequent economic stability are noted by Dr. H. D. Fong, noted economist and professor of Nankai University at Tientsin. They are the re-distribution of wealth and income, the stimulation of the rise of the price level to commerce, industries and agriculture, and the changes in public and private finances.

The re-distribution of wealth and income as a result of the adoption of the managed currency policy is inevitable, declared Dr. Fong. According to the Government mandate, debts are to be paid by legal tender notes. But the large amount of such notes in circulation in the market would naturally result in their devaluation. Regardless of whether the debts were originally made in banknotes or metallic currency, the creditors are bound to suffer losses.

Amidst the multifarious influences of the re-distribution of wealth and income Dr. Fong calls attention to the possibility of labor unrest. Chinese workers, the noted economist points out, are already leading a precarious life. While the price level would continuously be hiked, their wages could not be easily increased. Hard pressed by such circumstances, they would resort to strikes and other radical protests. Meanwhile, Dr. Fong adds, the landlords might tighten their exploitation of the poor farmers in the rural districts in order to make up the losses they suffer. This would perhaps breed rural disturbances.

## Japaneses Paper Says China Will Increase Customs Surtax

China's present 12 percent import surtax will be raised by 10 percent effective Jan. 1 next year, the *Shanghai Nichi-Nichi* reported Dec. 15 on the basis of advices reaching "reliable sources." The daily recalled that the Ministry of Finance had planned to enforce such a raise last year to compensate the annual loss of $15,000,000 resulting from the abolition of the interport duty and a revision of the export tariff. This action, however, was delayed because of the opposition shown by various exporting nations, the paper added.

## Opium Addicts Who Do Not Register Will Be Arrested

Opium addicts failing to register with the Bureau of Public Safety by the end of December will be arrested and punished in strict accordance with the law governing opium suppression, it was announced in a circular letter issued by the Shanghai Public Safety Bureau Dec. 17.

# CUSTOMS NOTIFICATION No. 1482

A revised list of Maritime Customs stations and barriers in the various coastal districts is appended hereto for the information of the public.

H. O. Tong,
Superintendent of Customs.

CUSTOM HOUSE,
Shanghai, 11th December, 1935.

Paul Barentzen,
Commissioner of Customs.

## APPENDIX.

### LIST OF STATIONS AND BARRIERS IN THE VARIOUS COAST DISTRICTS.

1. **Chinwangtao Customs District:**—Stations (2): Shanhaikwan 山海關 Yanghok'ou 羊河口

2. **Tientsin Customs District:**—Stations (9):

Tangshan Railway Station[1] 唐山車站 Peitang 北塘 Tangku 塘沽 Kupeik'ou[2] 古北口 Huangyakuan[2] 黃崖關 Hsifengk'ou[2] 喜峯口 Lengk'ou[2] 冷口 Chiehlingk'ou[2] 界嶺口 Yiyuank'ou[2] 義院口

BARRIER (1): Panchiak'ou[2] 潘家口

3. **Chefoo Customs District:**—Stations (20):

Yangchiokou[3] 羊角溝 Heichiangk'ou[3] 黑港口 Tienchiaok'ou[3] 天橋口 Pachiok'ou[3] 八角口 Litao[5] 俚島
Hsiayingk'ou[3] 下營口 Shihhutsui[3] 石虎嘴 Miaotao[3,4] 廟島 Hsishank'ou 繫山口 Pahochiang[5] 八河港
Yenk'ou[3] 掩口 Huanghoying[3] 黃河營 Liuchiawang[3] 劉家旺 Ch'üko[5] 曲各 Shihtao[4,5] 石島
Haimiaohou[3] 海廟後 Luanchiak'ou[3] 欒家口 Pingchangho[3] 平場河 Lunghsütao[5] 龍鬚島 Shawotao[5] 沙窩島

BARRIER (1): Chefoo Bluff[6] 芝罘島

4. **Tsingtao Customs District:**—Stations (5):

Jushank'ou 乳山口 Chink'ou 金口 Small Harbour 青島小港 Shihchiuso 石臼所 Haichow 海州

BARRIERS (2): Chihwang[6] 祐旺 Yenweichiang[6] 燕尾港

5. **Chinkiang Customs District:**—Station (1): Kiangyin 江陰

6. **Shanghai Customs District:**—Stations (2): Hsinyangchiang 新洋港 Woosung 吳淞

7. **Ningpo Customs District:**—Station (1): Chinhai 鎮海

8. **Wenchow Customs District:**—Stations (2): Haimen 海門 Kuaot'ou 古鰲頭

9. **Santuao Customs District (and) Tungchung (東沖) Sub-port:**—Stations and barriers (nil).

10. **Foochow Customs District (and Kuant'ou (琯頭) Sub-port):**—Stations (5):

Shacheng 沙堤 Sansha 三沙 Haik'ou 海口 Hanchiang 涵江 Hsiuhsü[7] 秀嶼

BARRIERS: (2): T'ant'ou 潭頭 Sanchiangk'ou 三江口

11. **Amoy Customs District:**—Stations (5):

Dwarf Anchorage[4] 觀音澳 Hsiutu 秀塗 Chuanchow 泉州 Shihma 石碼 Tungshan[4] 東山

12. **Swatow Customs District:**—

BARRIERS: (3) Masu 媽嶼 Tahaupu 達濠埠 Haimen 海門

13. **Canton Customs District:**—Stations (5):

Taiping 太平 Yanchow 印州 Szekiu 市橋 Yungki 容奇 Chents'un 陳村

BARRIERS (2): Sheklung Railway Barrier[8] 石龍車站 Suntong 新塘

14. **Kowloon Customs District:**—Stations (16):

Swabue 汕尾 Shaüchung 沙魚涌 Lofong[1] 羅坊 Shatau 沙頭 Kowloon Railway Station[1] 九龍車站
Samun 三門 Kaichung 溪涌 Shumchun Railway Station[1] 深圳車站 Kwaimiao 桂廟
Namo 南澳 Yimtin 鹽田 Taishan 大鏟
Tipfuk 疊福 Shatowkok 沙頭角 Shumchun River 深圳河 Lintin 伶仃

15. **Lappa Customs District:**—Stations (6):

Shekki 石碕 Kwanchak 關閘 Chienshan 前山 Nine Islands 九洲 Shekok 石角 Malowchow 馬溜洲

16. **Kongmoon Customs District:**—Stations (5):

Kongmoon 江門 Gaemoon 崖門 Samgaphôi 三夾海 Kwonghoikow 廣海口 Paktsunhou 北津口

BARRIERS: (3) Tofuk 都斛 Yeungkong 陽江 Chappo 閘坡

17. **Kiungchow Customs District:**—Stations (2):

Pochin 鋪前 Sunchun[9] 新村 Chinglan 清瀾 Hiongpo[9]

18. **Pakhoi Customs District:**—Station (1):

Tunghing 東興 BARRIERS (2): Kongping 江平 Chukshan 竹山

19. **Luichow Customs District:**—Stations (13):

Shuitung 水東 Wongpo 黃坡 Fookhin[10] 福建 Shentong[10] 沈塘 Malomoon 蕪羅門
Muiluk 梅菉 Saichungmei[10] 西涌尾 Macheung[10] 蕪章 Luichow 雷州 Onpu 安
Chiliu 芷芀 Taifou 大阜 Shingyueh[10] 城月

BARRIERS (3) Tinpak 電白 Pokho 博賀 Shuangchi 雙溪

1. Land station.
2. Establishments along the Great Wall.
3. Under the administration of the Lungkow Office.
4. Control stations.
5. Under the administration of the Weihaiwei Office.
6. These barriers have been established for preventive purposes only, and junks registered for foreign trade are not allowed to call at them unless they have previously reported at a Maritime Customs station where duty has been levied on their cargo.
7. Temporarily closed.
8. Land barrier on the Canton-Kowloon Railway.
9. Not yet opened; in process of establishment.
10. Land stations on the Kwangchowwan frontier.

# CUSTOMS NOTIFICATION No. 1483

The public is hereby notified that the Government have drawn up a new set of Regulations governing the method of Application for Huchao to Cover Movements of Silver Dollars and Other Forms of Silver, and the Penalties to be Imposed on Smugglers of Silver, which read as follows:—

(1) All shipments of silver dollars or other forms of silver are to be effected by the Central Bank of China, the Bank of China, or the Bank of Communications. Shipments of silver dollars or other forms of silver made by the above banks must in every instance be covered by Ts'ai-chêng Pu Huchao (財政部准運護照) and may be released by the various Customs, barriers, or military or police authorities passed *en route* on production of such Huchao.

(2) In places where no branch or agency of the Central Bank of China, the Bank of China, or the Bank of Communications has been established, when silver dollars or other forms of silver are exchanged (for legal tender notes) by banks, exchange shops, pawnshops, post offices, railway departments, shipping companies, telegraph offices, Government and local revenue-collecting organs, magistracies, or other public organisations or bodies, such silver is to be sent forthwith to the nearest office or agency of the Central Bank of China, the Bank of China, or the Bank of Communications to be changed into legal tender notes. The organisations effecting such shipments (hereafter called "exchange organs") are to issue certificates (證明書) specifying the quantity of silver dollars or other forms of silver thus f rwarded and the name of the bank to which they are consigned, for submission to the military and police authorities passed *en route*, and are also to notify the bank to which such shipments are consigned so that the necessary arrangements can be made. Shipments of this nature when passi g the Customs or Customs stations must, however, be covered by Ts'ai-chêng Pu Huchao.

(3) When shipment is made of silver which has been purchased in accordance with the Regulations governing the Use of Silver for the Manuf cture of Silverware, a covering certificate (證明書) is to be issued by the bank from which the silver was bought, but shipments of this nature when passing the Customs or Customs stations must be covered by a Ts'ai-chêng Pu Huchao.

(4) Shipments of silver dollars or other forms of silver which are not covered by Ts'ai-chêng Pu Huchao and/or a certificate issued by an exchange organ, when seized by the military, by Government departments, by the police, or by the Customs, are to be confiscated. If such seizures are found to have b en deliberately concealed with a view to clandestine shipment abroad, in addition to confiscating the silver, the offender is also to be handed over to the local court of justice to be dealt with in accordance with the Provisional Rules governing Punishments for Offences Endangering the National Currency.

(5) During the period within which silver may be exchanged for legal tender notes (*i. e.*, three months dating from the 4th November 1935) the general public may transport silver dollars and other forms of silver to the nearest exchange organ in order to exchange them for legal tender notes.

(6) Except under the circumstances provided for in Articles (1), (2), (3), and (5) of these regulations, travellers and employees on vessels and trains, going abroad or moving within the country, are forbidden to ship or carry any silver dollars or other forms of silver. Infractions of this regulation will be dealt with in accordance with Article (4) above.

These regulations will be enforced forthwith.

H. O. Tong,
Superintendent of Customs.

Paul Barentzen,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 11th December, 1935.

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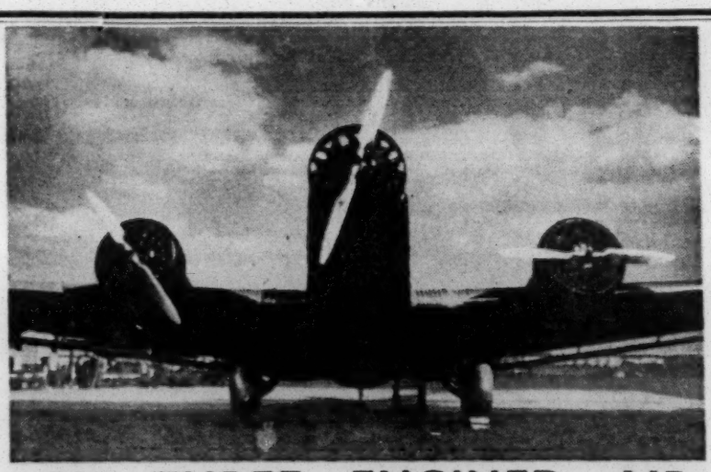

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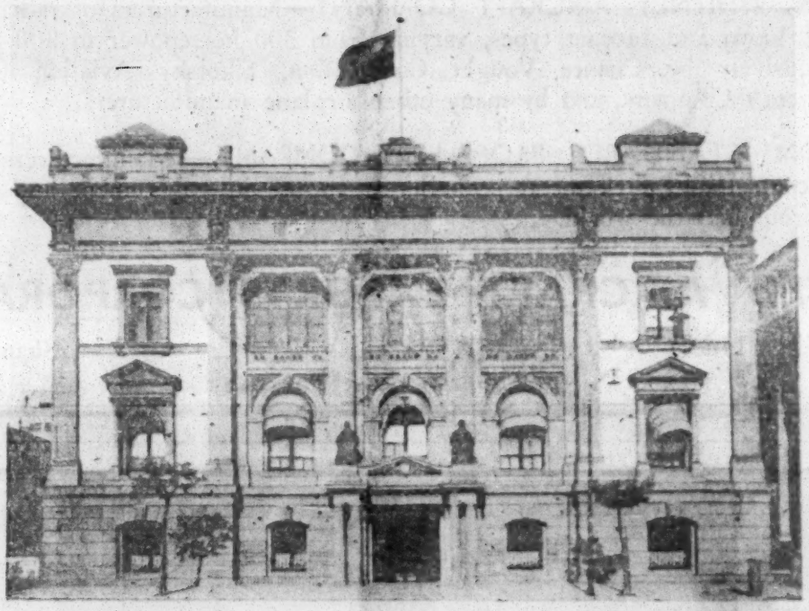

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